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BEFORE THE ARIZONA CORPORATION COMMISSION

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AZ CORP COMMISSION  
DOCKET CONTROL

COMMISSIONERS

- DOUG LITTLE - CHAIRMAN
- BOB STUMP
- BOB BURNS
- TOM FORESE
- ANDY TOBIN

IN THE MATTER OF THE APPLICATION OF ARIZONA WATER COMPANY, AN ARIZONA CORPORATION, FOR A DETERMINATION OF THE FAIR VALUE OF ITS UTILITY PLANT AND PROPERTY, AND FOR ADJUSTMENTS TO ITS RATES AND CHARGES FOR UTILITY SERVICE FURNISHED BY ITS WESTERN GROUP AND FOR CERTAIN RELATED APPROVALS.

DOCKET NO. W-01445A-15-0277

**NOTICE OF FILING OF SETTLEMENT AGREEMENT**

The Utilities Division ("Staff") of the Arizona Corporation Commission ("Commission"), on behalf of the Signatory Parties to the Settlement Agreement ("Agreement"), hereby files the Agreement in compliance with the filing deadline of May 6, 2016, set by the Administrative Law Judge.

RESPECTFULLY SUBMITTED this 6<sup>th</sup> day of May, 2016.

Arizona Corporation Commission

DOCKETED

MAY 06 2016

DOCKETED BY *ME*

*Wesley Van Cleave*  
 \_\_\_\_\_  
 Wesley C Van Cleave  
 Brian E. Smith  
 Attorneys, Legal Division  
 Arizona Corporation Commission  
 1200 West Washington Street  
 Phoenix, Arizona 85007  
 (602) 542-3402

Original and thirteen (13) copies of the foregoing filed this 6<sup>th</sup> day of May, 2016, with:

Docket Control  
 Arizona Corporation Commission  
 1200 West Washington Street  
 Phoenix, Arizona 85007

1 Copy of the foregoing mailed and/or emailed  
this 6<sup>th</sup> day of May, 2016, to:

2 Steven A. Hirsch  
3 QUARLES BRADY  
One Renaissance Square  
4 Two North Central Avenue  
Phoenix, Arizona 85004  
5 Attorneys for Arizona Water Company

6 E. Robert Spear, General Counsel  
ARIZONA WATER COMPANY  
7 P.O. Box 29006  
Phoenix, Arizona 85038-9006

8 Joseph D. Harris, Vice President and Treasurer  
9 ARIZONA WATER COMPANY  
P.O. Box 29006  
10 Phoenix, Arizona 85038-9006

11 Daniel W. Pozefsky, Chief Counsel  
RESIDENTIAL UTILITY CONSUMER  
12 SERVICES  
1110 West Washington Street, Suite 220  
13 Phoenix, Arizona 85007

14 Michele L. Van Quathem  
Law Office of Michele Van Quathem, PLLC  
15 7600 North 15<sup>th</sup> Street, Suite 150-30  
Phoenix, Arizona 85020  
16 Attorneys for Abbott Laboratories

17 Greg Patterson  
MUGER CHADWICK  
18 916 West Adams Street, Suite 3  
Phoenix, Arizona 85007  
19 Attorneys for Western Infrastructure Sustainability Effort

20  
21   
22

ARIZONA WATER COMPANY

WESTERN GROUP GENERAL RATE CASE

SETTLEMENT AGREEMENT

Docket No. W-01445A-15-0277

SETTLEMENT AGREEMENT

AND

LIST OF SIGNATORY PARTIES

The purpose of this Settlement Agreement (“Agreement”) is to settle identified disputed issues related to Docket No. W-01445A-15-0277, Arizona Water Company’s (“AWC” or “Company”) application to increase rates for its Western Group of systems as identified in its August 21, 2015 application (“Rate Case”). This Agreement is entered into by the following entities, which together comprise the entirety of the parties to this proceeding, including all intervenors:

Arizona Water Company  
Arizona Corporation Commission Utilities Division (“Staff”)  
Residential Utility Consumer Office (“RUCO”)  
Abbott Laboratories (“Abbott”)  
Western Infrastructure Sustainability Effort (“WISE”)

These entities shall be referred to collectively as the “Signatory Parties.”

## TERMS AND CONDITIONS

In consideration of the promises and agreements contained in this Agreement, the Signatory Parties agree that the following numbered sections and subsections, including attached exhibits and schedules, comprise the Signatory Parties' Agreement.

### 1.0 RECITALS

1.1 Docket No. W-01445A-15-0277 was commenced by the filing of a notice of intent to file a general rate application by AWC on July 31, 2015. AWC subsequently filed its general rate application on August 21, 2015. AWC's general rate application ("Application") requested a total proposed revenue increase of \$6,010,408, or approximately 28.33%, and a Fair Value Rate Base ("FVRB") of \$67,417,785.

1.2 Following a sufficiency finding by Staff on September 14, 2015, RUCO filed an Application to Intervene on September 15, 2015. Abbott filed an Application to Intervene on September 30, 2015. WISE filed an Application to Intervene on December 16, 2015.

1.3 The Administrative Law Judge granted the applications to intervene filed by RUCO, Abbott and WISE ("Intervenors"). No other persons or entities have intervened in this proceeding.

1.4 The Administrative Law Judge scheduled an evidentiary hearing on the Application to commence on May 9, 2016.

1.5 The parties' litigation positions for hearing associated with the total proposed revenue increase and FVRB<sup>1</sup>, together with the amount proposed in settlement,<sup>2</sup> are as follows:

	Revenue Increase	% Increase	FVRB
Company	\$6,007,339	29.16%	\$64,367,950
Staff	\$3,788,915	17.85%	\$63,874,767
RUCO	\$3,189,426	14.92%	\$61,693,221
<b>Agreement</b>	<b>\$4,572,937</b>	<b>21.55%</b>	<b>\$63,422,861</b>

1.6 The parties' litigation positions for hearing included varying rate design proposals. Abbott offered evidence that the revenue requirement for Abbott's 6-inch nonpotable service connection at the Company's proposed rates was 37.62% less than current annual billings to Abbott. Abbott requested that its 6-inch nonpotable service connection be recognized as a

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<sup>1</sup> Reflects the Company's position as filed on 4/13/2016, in rebuttal, and Staff and RUCO's position as filed on 3/18/2016, in direct testimony.

<sup>2</sup> WISE and Abbott did not advocate for a particular amount of revenue increase or FVRB, but rather focused on issues specific to their interests, the resolution of which are set forth in other sections of this Agreement.

separate rate class due to the unique service characteristics and non-typical cost of service profile.

1.7 Staff filed a notice of settlement discussions on April 11, 2016. The Signatory Parties were notified of the settlement discussion process, were encouraged to participate in the negotiations, and were provided with an equal opportunity to participate. Pursuant to a notice, formal settlement discussions between the Signatory Parties were held on April 25, 2016, at the Commission's offices, with a settlement reached on all issues in the Rate Case by the Signatory Parties.

1.8 The Signatory Parties agree that the negotiation process undertaken in this matter was open, transparent and inclusive of all Signatory Parties, with each such party having an equal opportunity to participate. All Signatory Parties, including their counsel and principal witnesses and representatives, attended and actively participated in all phases of the settlement discussions. This Agreement is a result of those meetings and the Signatory Parties' good faith efforts to settle all of the issues presented in this Rate Case. A material consideration by AWC in compromising its positions is the ability to quickly move its Application to final determination by the Commission, so that the new rates as set forth in this Agreement and ordered by the Commission may be implemented at the earliest possible date. To this end, the Signatory Parties agree to expedite their efforts in advancing this matter before the Commission consistent with the Procedural Orders made in the Rate Case and Commission Rules.

1.9 The purpose of this Agreement is to settle all issues presented in the Rate Case in a manner that will promote the public interest, provide for a prompt resolution of the issues, and allow expeditious implementation of the new rates as ordered by the Commission.

1.10 The Signatory Parties agree that the terms of this Agreement will serve the public interest by providing a just and reasonable resolution of the issues presented by the Rate Case, establishing just and reasonable rates for AWC's customers, and promoting the health, welfare and safety of AWC's customers. Commission approval of this Agreement will further serve the public interest by allowing the Signatory Parties to avoid the expense and delay associated with continued litigation.

1.11 The Signatory Parties agree to ask the Commission to (1) find that the terms and conditions of this Agreement are just and reasonable and in the public interest, along with all other necessary findings, and (2) approve the Agreement and order that the Agreement and the rates contained therein shall become effective at the earliest practicable date.

## 2.0 REVENUE REQUIREMENT, RATE BASE, INCOME STATEMENTS AND ADJUSTMENTS TO SAME

2.1 For ratemaking purposes and for the purposes of this Agreement, the Signatory Parties agree that:

2.2 AWC will receive an annual increase in revenues of \$4,572,937 for an annual revenue requirement of \$25,789,706;

2.3 The FVRB, which is determined based on the Original Cost Less Depreciation Rate Base for purposes of this Rate Case, is \$63,422,861.

2.4 The breakdown of test year revenues of the Western Group among the Pinal Valley (Casa Grande, Coolidge, Stanfield), White Tank and Ajo systems is set forth in Schedule A-1 attached and incorporated into the Agreement by this reference.

2.5 The breakdown of FVRB of the Western Group among the Pinal Valley (Casa Grande, Coolidge, Stanfield), White Tank and Ajo systems is set forth in Schedule B-1 attached and incorporated into the Agreement by this reference.

2.6 The Pro Forma Adjustments applicable to FVRB for the Western Group and the breakdown of such adjustments among the Pinal Valley (Casa Grande, Coolidge, Stanfield), White Tank and Ajo systems and the Phoenix Office and Meter Shop are set forth in Schedule B-2, including its appendix attached, which are incorporated into the Agreement by this reference.

2.7 The Adjusted Test Year Operating Income applicable to the Western Group and the breakdown of same among the Pinal Valley (Casa Grande, Coolidge, Stanfield), White Tank and Ajo systems are set forth in Schedule C-1 attached and incorporated into the Agreement by this reference.

2.8 The Income Statement Pro Forma Adjustments applicable to the Western Group and the breakdown of such adjustments among the Pinal Valley (Casa Grande, Coolidge, Stanfield), White Tank and Ajo systems are set forth in Schedule C-2, including its appendix attached, which are incorporated into the Agreement by this reference.

2.9 The computation of the Gross Revenue Conversion Factor applicable to the Western Group and the breakdown of such factor among the Pinal Valley (Casa Grande, Coolidge, Stanfield), White Tank and Ajo systems are set forth in Schedule C-3 attached and incorporated into the Agreement by this reference.

### 3.0 COST OF CAPITAL

3.1 For ratemaking purposes and for the purposes of this Agreement, the Signatory Parties agree that an appropriate return on common equity shall be 10.0%, an appropriate cost of long-term debt shall be 6.82%, and that a capital structure comprised of 46.31% long-term debt and 53.69% common equity shall be adopted, which equates to a weighted cost of debt of 3.16%, a weighted cost of common equity of 5.37%, and an overall Weighted Average Cost of Capital of 8.53%, as set forth in Schedule D-1 attached and incorporated into the Agreement by this reference.

3.2 RUCO raised a concern in prefiled testimony that AWC's cost of debt was high compared to that of publicly traded water utilities and current interest rates. For the purposes of settlement AWC agrees that going forward it will use its best good faith efforts to reduce its cost of debt, and that any future debt will be prudently incurred under the most reasonable terms and lowest cost reasonably available.

#### 4.0 RATE DESIGN

4.1 For ratemaking purposes and for the purposes of this Agreement, the Signatory Parties agree that:

4.2 The summary of revenues by customer classification for the Western Group and the breakdown of such revenues by classification among the Pinal Valley (Casa Grande, Coolidge, Stanfield), White Tank and Ajo systems shall be as set forth in Schedule H-1 attached and incorporated into the Agreement by this reference.

4.3 The specific revenues by customer classification for the Western Group and the breakdown of such specific revenues by classification among the Pinal Valley (Casa Grande, Coolidge, Stanfield), White Tank and Ajo systems are set forth in Schedule H-2 attached and incorporated into the Agreement by this reference.

4.4 The summary of changes in representative rate schedules by customer classification for the Pinal Valley (Casa Grande, Coolidge, Stanfield), White Tank and Ajo systems is set forth in Schedule H-3 attached and incorporated into the Agreement by this reference.

4.5 The summary of a typical bill analysis, showing impact on bills from the settlement set forth in this Agreement for the Pinal Valley (Casa Grande, Coolidge, Stanfield), White Tank and Ajo systems is set forth in Schedule H-4 attached and incorporated into the Agreement by this reference.

4.6 Abbott Laboratories' 6-inch nonpotable service connection shall be served under a special tariffed rate, as set forth in Schedule H-3 attached and incorporated into the Agreement by this reference.

#### 5.0 NITRATE DEFERRAL

5.1 The Signatory Parties agree that AWC is authorized to defer its incurred costs associated with the installation and operation of the nitrate treatment facilities set forth on the attached Schedule. Support for all elements of these deferred costs shall be maintained by the Company. These deferrals should be subject to the following ratemaking treatment:

5.1.1 All costs should be recorded on AWC's books and records as incurred.

5.1.2 An allowance for funds used during construction ("AFUDC") should be recorded during construction in the ordinary and customary manner for such construction projects.

5.1.3 AWC shall depreciate the nitrate treatment plant additions at the current Commission approved depreciation rates.

5.1.4 AWC shall defer the depreciation expense, cost of media replacement or regeneration, cost of chemicals, and waste media disposal for these facilities once they are placed

in service and operating, and may record post-in service AFUDC for consideration of recovery in AWC's next Western Group rate case. Such deferred cost shall be recorded as a regulatory asset.

5.1.5 The Signatory parties acknowledge that the cost of constructing and operating these nitrate treatment facilities can only be estimated at this time. The Signatory parties agree that the actual, total amount of deferred costs, including depreciation expense, the cost of media replacement or regeneration, cost of chemicals, waste media disposal, and post in-service AFUDC, shall not exceed \$21,738,368.

## 6.0 OTHER SETTLEMENT ISSUES

6.1 The Signatory Parties agree to a rate case expense amount for AWC of \$360,000 to be amortized over three (3) years as shown on Schedule C-2 Settlement Appendix, page 3 of 16.

6.2 The Signatory Parties agree that AWC may defer tank maintenance costs for possible recovery in a future rate case, and that AWC is authorized to record such deferral of costs. Further AWC shall keep and maintain adequate records to support the deferred costs.

6.3 The Signatory Parties agree on AWC's proposal to continue its Arsenic Cost Recovery Mechanism ("ACRM"). AWC's General Service Tariff shall be amended to provide limited exceptions to the ACRM surcharge to exclude Abbott Laboratories' dedicated 6-inch service connection from the calculation and application of the surcharge.

6.4 The Signatory Parties agree that the deferral period on the used and useful portion of the deferred M&I Central Arizona Project ("CAP") water charges is extended from twenty to twenty five years as shown on Schedule C-2 Settlement Appendix, page 6 of 16.

6.5 The Signatory Parties agree that AWC shall file a plan of administration for its CAP surcharge within 90 days of a decision in this matter for review and approval by Staff.

6.6 The Signatory Parties agree that AWC shall convert its Uniform System of Accounts ("USOA") to the 1996 version of the National Association of Regulatory Utility Commissioners' ("NARUC") USOA, but will continue using the current version until filing a rate case that uses a 2017 or later test year.

6.7 AWC's next Western Group general rate case filing, or rate case filed for any individual system of the Western Group, shall use a test year including at least twelve months of actual experience with the rates approved in this Rate Case.

6.8 AWC agrees to begin recording its accumulated depreciation reserve by individual utility plant account. In addition, AWC agrees to conduct a comprehensive depreciation study in order to develop a reasonable methodology for allocating its existing accumulated depreciation reserve account to the appropriate utility plant accounts for all service areas. The Company will have completed such depreciation study by the time of filing its next

rate case using a 2017 or later test year. The cost for this study will be deferred for consideration of recovery in a future rate case.

6.9 The Signatory Parties agree on AWC's Off-site Facilities Fee for the White Tank service area, as proposed in its Application.

6.10 The Signatory Parties agree on AWC's proposal to continue its Off-site Facilities Fee tariff schedule for the Pinal Valley (Casa Grande, Coolidge and Stanfield) service area.

6.11 The Signatory Parties agree on AWC's proposal to continue its CAP M&I Fee tariff schedules for the Pinal Valley (Casa Grande and Coolidge only) and White Tank service areas.

6.12 Given the current procedural standing of judicial review of the System Improvement Benefits (SIB) mechanism in the Arizona courts, the Signatory Parties have agreed not to include terms of a SIB mechanism in this Agreement. Should the Supreme Court uphold the Commission's authority to create the SIB by finding that the SIB is a legal ratemaking mechanism, any Signatory Party may use appropriate procedural mechanisms to seek to add a SIB mechanism and shall not be deemed to have waived its right to do so by entering into this Agreement.

## 7.0 COMMISSION EVALUATION OF PROPOSED SETTLEMENT

7.1 This Agreement shall serve as a procedural device by which the Signatory Parties will submit their proposed settlement of AWC's Rate Case Docket No. W-01445A-15-0277 to the Commission.

7.2 All currently-filed testimony and exhibits, as well as the testimony in support of this Agreement shall be offered into the Commission's record as evidence.

7.3 The Signatory Parties recognize that the Commission will independently consider and evaluate the terms of this Agreement.

7.4 If the Commission issues an order adopting all material terms of this Agreement, such action shall constitute Commission approval of the Agreement. Thereafter, the Signatory Parties shall abide by the terms as approved by the Commission.

7.5 The Signatory Parties agree to support and defend this Agreement, including filing testimony in support of the Agreement and presenting evidence in support of the Agreement at the hearing scheduled to begin on May 12, 2016, and will not oppose any provision of the Agreement in pre-filed or live testimony or otherwise. The parties agree to waive their rights to appeal a Commission Decision approving the same, provided that the Commission approves all material provisions of the Agreement. The Signatory Parties shall take reasonable steps to expedite consideration of the settlement, entry of a Decision adopting the settlement, and implementation of the rates anticipated in this Agreement and shall not seek any delay in the schedules set for consideration of the Agreement or for the Administrative Law Judge's or Commission's consideration of the settlement embodied in the Agreement. If the

Commission adopts an order approving all material terms of this Agreement, the Signatory Parties will support and defend the Commission's order before any court or regulatory agency in which it may be at issue, except that no Party will be required to hire an attorney or otherwise expend money in demonstrating such support.

7.6 Consistent with any order of the Commission, AWC shall file compliance tariffs for Staff review and approval. Such compliance tariffs, however, will become effective upon the effective date of the rate increase stated in the Commission's Order.

7.7 If the Commission fails to issue an order adopting all material terms of this Agreement or adds new or different material terms to this Agreement, any or all of the Signatory Parties may withdraw from this Agreement, and such Signatory Party or Parties may pursue without prejudice their respective remedies at law. For the purposes of this Agreement, whether a term is material shall be left to the discretion of the Signatory Party choosing to withdraw from the Agreement. If a Signatory Party files an application for rehearing before the Commission, Staff shall not be obligated to file any document or take any position regarding the withdrawing Signatory Party's application for rehearing.

7.8 The Signatory parties recognize that Staff does not have the power to bind the Commission. For purposes of proposing a settlement agreement, Staff acts in the same manner as any party to a Commission proceeding.

## 8.0 MISCELLANEOUS PROVISIONS

8.1 The provisions set forth in the Agreement are made for purposes of settlement only and shall not be construed as admissions against interest or waivers of litigation positions of the Signatory parties in this Rate Case or related to other or future rate cases.

8.2 This Agreement represents the Signatory Parties' mutual desire to settle disputed issues in a manner consistent with the public interest. None of the positions taken in this Agreement by any of the Signatory Parties may be referred to, cited, or relied upon as precedent in any proceeding before the Commission, any other regulatory agency, or any court for any purpose except in furtherance of this Agreement.

8.3 This case presents a unique set of circumstances and to achieve consensus for settlement, participants may be accepting positions that, in other circumstances, they would be unwilling to accept. They are doing so because the Agreement, as a whole, with its various provisions for settling the unique issues presented by this case, is consistent with their long-term interests and with the broad public interest. The acceptance by any Signatory Party of a specific element of this Agreement shall not be considered as precedent for acceptance of that element in any other context.

8.4 No Signatory Party is bound by any position asserted in negotiations, except as expressly stated otherwise in this Agreement. No Signatory Party shall offer evidence of conduct or statements made in the course of negotiating this Agreement before this Commission, or any other regulatory agency, or any court.

8.5 Each of the terms and conditions of the Agreement is in consideration and support of all other terms. Accordingly, the terms are not severable.

8.6 The Signatory Parties warrant and represent that each person whose signature appears below is fully authorized and empowered to execute this Agreement.

8.7 The Signatory Parties acknowledge that they are represented by competent legal counsel and that they understand all of the terms of this Agreement and have had an opportunity to participate in the drafting of this Agreement and to fully review it with their counsel before signing, and that they execute this Agreement with full knowledge of the terms of the Agreement.

8.8 This Agreement may be executed in any number of counterparts and by each individual Signatory Party on separate counterparts, each of which when so executed and delivered shall be deemed an original and all of which taken together shall constitute one and the same instrument. This Agreement may also be executed electronically or by facsimile.

8.9 To the extent any provision of this Agreement is inconsistent with any existing Commission order, rule or regulation, this Agreement shall control.

8.10 Nothing in this Agreement shall prevent AWC from requesting a change to its rates in the event of conditions or circumstances that constitute an emergency. For purposes of this Agreement, the term "emergency" is limited to an extraordinary event that, in the Commission's judgment, requires rate relief in order to protect the public interest. This provision is not intended to preclude Staff or any Intervenor from opposing an application for rate relief filed by AWC pursuant to this paragraph. Nothing in this Agreement is intended to limit the Commission's ability to change rates at any time pursuant to its lawful authority.

Executed this 6th day of May, 2016.

ARIZONA WATER COMPANY

By: William M. Garfield  
Name: William M. Garfield  
Its: President and COO

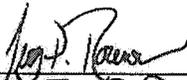
ARIZONA CORPORATION COMMISSION  
UTILITIES DIVISION

for ~~By~~ Thomas Broderick  
Name: Thomas Broderick  
Its: Director utilities Division

RESIDENTIAL UTILITY CONSUMER OFFICE

By: David J. [Signature]  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

ABBOTT LABORATORIES

By:   
Name: Troy D. Rosenow  
Its: Site Director

WESTERN INFRASTRUCTURE  
SUSTAINABILITY EFFORT

By: Greg Patterson  
Name: GREG PATTERSON  
Its: \_\_\_\_\_



## ARIZONA WATER COMPANY

### TARIFF SCHEDULE – OFF-SITE FACILITIES FEE (WATER)

Filed by: William M. Garfield

Title: President

Date of Original Filing: April 30, 2012

System(s): **PINAL VALLEY (CASA GRANDE, COOLIDGE, STANFIELD)**

A.C.C. No.

Cancelling A.C.C. No. 527

Tariff or Schedule No. FF-101

Filed:

Effective:

#### **I. Purpose and Applicability**

The purpose of the off-site facilities fees payable to Arizona Water Company (“the Company”) pursuant to this tariff is to equitably apportion the costs of constructing additional off-site facilities necessary to provide water production, treatment, delivery, recharge, recovery, storage and pressure among all new service connections. These charges are applicable to all new service connections established after the effective date of this tariff undertaken via Main Extension Agreements or requests for service not requiring a Main Extension Agreement. The charges are one-time charges and are payable as a condition to Company’s establishment of service, as more particularly provided below.

#### **II. Definitions**

Unless the context otherwise requires, the definitions set forth in R-14-2-401 of the Arizona Corporation Commission’s (“Commission”) rules and regulations governing water utilities shall apply in interpreting this tariff schedule.

“Applicant” means any party entering into an agreement with Company for the installation of water facilities to serve new service connections, including Developers and/or Builders of new residential subdivisions and/or commercial and industrial properties.

“CAP Water” means water from the Central Arizona Project provided directly or indirectly to the Company.

“Company” means Arizona Water Company.

“Main Extension Agreement” means any agreement whereby an Applicant agrees to advance the costs of the installation of water facilities necessary for the Company to serve new service connections within a development, or installs such water facilities necessary to serve new service connections and transfer ownership of such water facilities to the Company, which agreement shall require the approval of the Commission pursuant to A.A.C. R-14-2-406, and shall have the same meaning as “Water Facilities Agreement” or “Line Extension Agreement.”

“Off-site Facilities” means water treatment facilities, including treatment of CAP Water and other available water supplies, recharge and recovery facilities, storage tanks and related appurtenances and equipment necessary for proper operation of such water treatment facilities, including engineering and design costs. Off-site facilities may also include booster pumps, wells for recovery of stored CAP water or other groundwater supplies, pressure tanks, transmission mains and related appurtenances and equipment necessary for proper operation of such facilities if these facilities are not for the exclusive use of the applicant and will benefit the entire water system.



**ARIZONA WATER COMPANY**  
**OFF-SITE FACILITIES FEE (WATER)** (continued)

“Service Connection” means and includes all service connections for single-family residential or commercial, industrial other uses, regardless of meter size.

**III. Off-Site Water Facilities Fee**

For each new service connection, the Company shall collect an off-site facilities fee derived from the following table:

<b>OFF-SITE FACILITIES FEE TABLE</b>			
			<b>Total Fee</b>
<b>Meter Size</b>	<b>Size Factor</b>	<b>Residential</b>	<b>All Other Classes</b>
5/8" x 3/4 "	1	\$3,500	\$3,500
3/4"	1.5	\$3,500	\$5,250
1"	2.5	\$8,750	\$8,750
1-1/2 "	5	\$17,500	\$17,500
2"	8	\$28,000	\$28,000
3"	16	\$56,000	\$56,000
4"	25	\$87,500	\$87,500
6" or larger	50	\$175,000	\$175,000

**IV. Terms and Conditions**

(A) Assessment of One Time Off-Site Facilities Fee: The off-site facilities fee may be assessed only once per parcel, service connection, or lot within a subdivision (similar to meter and service line installation charge). These charges are not applicable to additional service connections that are established as back-up connections, under the condition that these service connections are not to be used at the same time.

(B) Use of Off-Site Facilities Fee: Off-site facilities fees may only be used to pay for capital items of off-site facilities or for repayment of loans obtained to fund the cost of installation of off-site facilities. Off-site facilities fees shall not be used to cover repairs, maintenance, or operational costs. The Company shall record amounts collected under tariff as Contributions in Aid of Construction (“CIAC”); however, such amounts shall not be deducted from rate base until such amounts have been expended for utility plant.

(C) Time of Payment:

- 1) For those requiring a Main Extension Agreement: In the event that the Applicant is required to enter into a Main Extension Agreement, whereby the Applicant agrees to advance the



**ARIZONA WATER COMPANY**  
**OFF-SITE FACILITIES FEE (WATER)** (continued)

costs of installing mains, valves, fittings, hydrants and other on-site improvements or construct such improvements in order to extend service in accordance with R-14-2-406(B), payment of the off-site facilities fees required hereunder shall be made by the Applicant no later than 15 calendar days after receipt of notification from the Company that the Utilities Division of the Arizona Corporation Commission has approved the Main Extension Agreement in accordance with R-14-2-406(M).

- 2) For those connecting to an existing main: In the event that the Applicant is not required to enter into a Main Extension Agreement, the off-site facilities fee charges hereunder shall be due and payable at the time the meter and service line installation fee is due and payable.

(D) Off-Site Facilities Construction By Developer: Company and Applicant may agree to construction of off-site facilities necessary to serve a particular development by Applicant, which facilities are then conveyed to Company. In that event, Company shall credit the total cost of such off-site facilities as an offset to off-site facilities fees due under this Tariff. If the total cost of the off-site facilities constructed by Applicant and conveyed to Company is less than the applicable off-site facilities fees under this Tariff, Applicant shall pay the remaining amount of off-site facilities fees owed hereunder. If the total cost of the off-site facilities contributed by Applicant and conveyed to Company is more than the applicable off-site facilities fees under this Tariff, Applicant shall be refunded the difference upon acceptance of the off-site facilities by the Company.

(E) Failure to Pay Charges; Delinquent Payments: The Company will not be obligated to make an advance commitment to provide or actually provide water service to any Applicant in the event that the Applicant has not paid in full all charges hereunder. Under no circumstances will the Company set a meter or otherwise allow service to be established if the entire amount of any payment due hereunder has not been paid.

(F) Large Subdivision and/or Development Projects: In the event that the Applicant is engaged in the development of a residential subdivision and/or development containing more than 150 lots, the Company may, in its discretion, agree to payment of off-site facilities fees in installments. Such installments may be based on the residential subdivision and/or development's phasing, and should attempt to equitably apportion the payment of charges hereunder based on the Applicant's construction schedule and water service requirements. In the alternative, the Applicant shall post an irrevocable letter of credit in favor of the Company in a commercially reasonable form, which may be drawn by the Company consistent with the actual or planned construction and hook up schedule for the subdivision and/or development.

(G) Off-Site Facilities Fees Non-refundable: The amounts collected by the Company as off-site facilities fees shall be non-refundable contributions in aid of construction.

(H) Use of Off-Site Facilities Fees Received: All funds collected by the Company as off-site facilities fees shall be deposited into a separate interest bearing bank account and used solely for the purposes of paying for the costs of installation of off-site facilities, including repayment of loans obtained for the installation of off-site facilities that will benefit the entire water system.



**ARIZONA WATER COMPANY**  
**OFF-SITE FACILITIES FEE (WATER) (continued)**

- (I) Off-Site Facilities Fee in Addition to On-site Facilities: The off-site facilities fee shall be in addition to any costs associated with the construction of on-site facilities under a Main Extension Agreement.
- (J) Disposition of Excess Funds: After all necessary and desirable off-site facilities are constructed utilizing funds collected pursuant to this tariff, or if the off-site facilities fee tariff has been terminated by order of the Arizona Corporation Commission, any funds remaining in the bank account shall be refunded. The manner of the refund shall be determined by the Commission at the time a refund becomes necessary.
- (K) Fire Flow Requirements: In the event the Applicant for service has fire flow requirements that require additional facilities not covered by this tariff, such additional facilities shall be constructed under a separate Main Extension Agreement as a non-refundable contribution and shall be in addition to the off-site facilities fees.
- (L) Status Reporting Requirements to the Commission: The Company shall submit a calendar year off-site facilities fee status report each January 31<sup>st</sup> to Docket Control for the prior twelve (12) month period, beginning January 31, 2017, until the off-site facilities fee tariff is no longer in effect. This status report shall contain a list of all customers that have paid the off-site facilities fee, the amount each has paid, the physical location/address of the property in respect of which such fee was paid, the amount of money spent from the account, the amount of interest earned on the funds within the tariff account, and a list of all facilities that have been installed with the tariff funds during the 12 month period.



# ARIZONA WATER COMPANY

## **TARIFF SCHEDULE – OFF-SITE FACILITIES FEE (WATER)**

Filed by: William M. Garfield

Title: President

Date of Original Filing: August 7, 2015

System(s): **WHITE TANK**

A.C.C. No.

Cancelling A.C.C. No.

Tariff or Schedule No.

Filed: August 7, 2015

Effective:

### **I. Purpose and Applicability**

The purpose of the off-site facilities fees payable to Arizona Water Company (“the Company”) pursuant to this tariff is to equitably apportion the costs of constructing additional off-site facilities necessary to provide water production, treatment, delivery, recharge, recovery, storage and pressure among all new service connections. These charges are applicable to all new service connections established after the effective date of this tariff undertaken via Main Extension Agreements or requests for service not requiring a Main Extension Agreement. The charges are one-time charges and are payable as a condition to Company’s establishment of service, as more particularly provided below.

### **II. Definitions**

Unless the context otherwise requires, the definitions set forth in R-14-2-401 of the Arizona Corporation Commission’s (“Commission”) rules and regulations governing water utilities shall apply in interpreting this tariff schedule.

“Applicant” means any party entering into an agreement with Company for the installation of water facilities to serve new service connections, including Developers and/or Builders of new residential subdivisions and/or commercial and industrial properties.

“CAP Water” means water from the Central Arizona Project provided directly or indirectly to the Company.

“Company” means Arizona Water Company.

“Main Extension Agreement” means any agreement whereby an Applicant agrees to advance the costs of the installation of water facilities necessary for the Company to serve new service connections within a development, or installs such water facilities necessary to serve new service connections and transfer ownership of such water facilities to the Company, which agreement shall require the approval of the Commission pursuant to A.A.C. R-14-2-406, and shall have the same meaning as “Water Facilities Agreement” or “Line Extension Agreement.”

“Off-site Facilities” means water treatment facilities, including treatment of CAP Water and other available water supplies, recharge and recovery facilities, storage tanks and related appurtenances and equipment necessary for proper operation of such water treatment facilities, including engineering and design costs. Off-site facilities may also include booster pumps, wells for recovery of stored CAP water or other groundwater supplies, pressure tanks, transmission mains and related appurtenances and equipment necessary for proper operation of such facilities if these facilities are not for the exclusive use of the applicant and will benefit the entire water system.



**ARIZONA WATER COMPANY**  
**OFF-SITE FACILITIES FEE (WATER) (continued)**

“Service Connection” means and includes all service connections for single-family residential or commercial, industrial other uses, regardless of meter size.

**III. Off-Site Water Facilities Fee**

For each new service connection, the Company shall collect an off-site facilities fee derived from the following table:

<b>OFF-SITE FACILITIES FEE TABLE</b>			
<b>Total Fee</b>			
<b>Meter Size</b>	<b>Size Factor</b>	<b>Residential</b>	<b>All Other Classes</b>
5/8" x 3/4 "	1	\$2,500	\$2,500
3/4"	1.5	\$2,500	\$3,750
1"	2.5	\$6,250	\$6,250
1-1/2 "	5	\$12,500	\$12,500
2"	8	\$20,000	\$20,000
3"	16	\$40,000	\$40,000
4"	25	\$62,500	\$62,500
6" or larger	50	\$125,000	\$125,000

**IV. Terms and Conditions**

(A) Assessment of One Time Off-Site Facilities Fee: The off-site facilities fee may be assessed only once per parcel, service connection, or lot within a subdivision (similar to meter and service line installation charge). These charges are not applicable to additional service connections that are established as back-up connections, under the condition that these service connections are not to be used at the same time.

(B) Use of Off-Site Facilities Fee: Off-site facilities fees may only be used to pay for capital items of off-site facilities or for repayment of loans obtained to fund the cost of installation of off-site facilities. Off-site facilities fees shall not be used to cover repairs, maintenance, or operational costs. The Company shall record amounts collected under tariff as Contributions in Aid of Construction (“CIAC”); however, such amounts shall not be deducted from rate base until such amounts have been expended for utility plant.

(C) Time of Payment:

- 1) For those requiring a Main Extension Agreement: In the event that the Applicant is required to enter into a Main Extension Agreement, whereby the Applicant agrees to advance the



**ARIZONA WATER COMPANY**  
**OFF-SITE FACILITIES FEE (WATER) (continued)**

costs of installing mains, valves, fittings, hydrants and other on-site improvements or construct such improvements in order to extend service in accordance with R-14-2-406(B), payment of the off-site facilities fees required hereunder shall be made by the Applicant no later than 15 calendar days after receipt of notification from the Company that the Utilities Division of the Arizona Corporation Commission has approved the Main Extension Agreement in accordance with R-14-2-406(M).

- 2) For those connecting to an existing main: In the event that the Applicant is not required to enter into a Main Extension Agreement, the off-site facilities fee charges hereunder shall be due and payable at the time the meter and service line installation fee is due and payable.

(D) Off-Site Facilities Construction By Developer: Company and Applicant may agree to construction of off-site facilities necessary to serve a particular development by Applicant, which facilities are then conveyed to Company. In that event, Company shall credit the total cost of such off-site facilities as an offset to off-site facilities fees due under this Tariff. If the total cost of the off-site facilities constructed by Applicant and conveyed to Company is less than the applicable off-site facilities fees under this Tariff, Applicant shall pay the remaining amount of off-site facilities fees owed hereunder. If the total cost of the off-site facilities contributed by Applicant and conveyed to Company is more than the applicable off-site facilities fees under this Tariff, Applicant shall be refunded the difference upon acceptance of the off-site facilities by the Company.

(E) Failure to Pay Charges; Delinquent Payments: The Company will not be obligated to make an advance commitment to provide or actually provide water service to any Applicant in the event that the Applicant has not paid in full all charges hereunder. Under no circumstances will the Company set a meter or otherwise allow service to be established if the entire amount of any payment due hereunder has not been paid.

(F) Large Subdivision and/or Development Projects: In the event that the Applicant is engaged in the development of a residential subdivision and/or development containing more than 150 lots, the Company may, in its discretion, agree to payment of off-site facilities fees in installments. Such installments may be based on the residential subdivision and/or development's phasing, and should attempt to equitably apportion the payment of charges hereunder based on the Applicant's construction schedule and water service requirements. In the alternative, the Applicant shall post an irrevocable letter of credit in favor of the Company in a commercially reasonable form, which may be drawn by the Company consistent with the actual or planned construction and hook up schedule for the subdivision and/or development.

(G) Off-Site Facilities Fees Non-refundable: The amounts collected by the Company as off-site facilities fees shall be non-refundable contributions in aid of construction.

(H) Use of Off-Site Facilities Fees Received: All funds collected by the Company as off-site facilities fees shall be deposited into a separate interest bearing bank account and used solely for the purposes of paying for the costs of installation of off-site facilities, including repayment of loans obtained for the installation of off-site facilities that will benefit the entire water system.



**ARIZONA WATER COMPANY**  
**OFF-SITE FACILITIES FEE (WATER)** (continued)

- (I) Off-Site Facilities Fee in Addition to On-site Facilities: The off-site facilities fee shall be in addition to any costs associated with the construction of on-site facilities under a Main Extension Agreement.
- (J) Disposition of Excess Funds: After all necessary and desirable off-site facilities are constructed utilizing funds collected pursuant to this tariff, or if the off-site facilities fee tariff has been terminated by order of the Arizona Corporation Commission, any funds remaining in the bank account shall be refunded. The manner of the refund shall be determined by the Commission at the time a refund becomes necessary.
- (K) Fire Flow Requirements: In the event the Applicant for service has fire flow requirements that require additional facilities not covered by this tariff, such additional facilities shall be constructed under a separate Main Extension Agreement as a non-refundable contribution and shall be in addition to the off-site facilities fees.
- (L) Status Reporting Requirements to the Commission: The Company shall submit a calendar year off-site facilities fee status report each January 31<sup>st</sup> to Docket Control for the prior twelve (12) month period, beginning January 31, 2017, until the off-site facilities fee tariff is no longer in effect. This status report shall contain a list of all customers that have paid the off-site facilities fee, the amount each has paid, the physical location/address of the property in respect of which such fee was paid, the amount of money spent from the account, the amount of interest earned on the funds within the tariff account, and a list of all facilities that have been installed with the tariff funds during the 12 month period.

Line No.	Description	Western Group				Settlement			
		[A]	[B]	[C]	[D]		[E]	[F]	[G]
				Company - As Filed					
3	Adjusted Rate Base	\$ 67,417,785				\$ 63,422,861			
6	Adjusted Operating Income	\$ 2,357,130				\$ 2,621,423			
8	Current Rate of Return (Ln. 6 + Ln. 4)	3.50%				4.13%			
10	Required Operating Income (Ln. 4 X Ln. 12)	\$ 6,021,978				\$ 5,409,741			
12	Required Rate of Return	8.93%				8.53%			
14	Operating Income Deficiency (Ln. 10 - Ln. 6)	\$ 3,664,848				\$ 2,788,318			
16	Gross Revenue Conversion Factor	1.6400				1.6400			
18	Required Increase in Gross Revenue (Ln. 14 X Ln. 16)	\$ 6,010,408				\$ 4,572,937			
28	Customer Classification								
31	Residential	\$ 13,396,945	\$ 17,069,179	\$ 3,672,234	27.41%	\$ 13,396,945	\$ 16,286,196	\$ 2,889,251	21.57%
32	Commercial	5,959,802	7,935,581	1,975,979	33.16%	5,959,802	7,465,458	1,505,657	25.27%
33	Industrial	161,824	217,366	55,542	34.32%	161,824	216,971	57,147	35.31%
34	Large Industrial	225,896	306,103	80,206	35.51%	225,896	309,009	83,113	36.79%
35	Abbott Laboratories	586,240	672,045	85,805	14.64%	586,240	498,034	(88,207)	-15.05%
36	Private Fire Service	124,650	174,510	49,860	40.00%	124,650	174,510	49,860	40.00%
37	Other Water Revenues	251,834	342,551	90,717	36.02%	251,834	327,686	75,852	30.12%
39	Total Water Revenues	\$ 20,706,891	\$ 26,717,335	\$ 6,010,343	29.03%	\$ 20,706,891	\$ 25,279,864	\$ 4,572,873	22.08%
41	Miscellaneous Revenues	509,842	509,842	-	0.00%	509,842	509,842	-	0.00%
43	Total Operating Revenues	\$ 21,216,833	\$ 27,227,177	6,010,343	28.33%	\$ 21,216,833	\$ 25,789,706	\$ 4,572,873	21.55%

Line No.	Description	Pinal Valley				Settlement							
		[A]	[B]	[C]	[D]		[E]	[F]	[G]	[H]			
		Company - As Filed											
1													
2													
3													
4	Adjusted Rate Base	\$ 61,344,294								\$ 57,511,994			
5	Adjusted Operating Income	\$ 2,215,360								\$ 2,403,430			
6													
7	Current Rate of Return (Ln. 6 + Ln. 4)	3.61%								4.18%			
8	Required Operating Income (Ln. 4 X Ln. 12)	\$ 5,479,474								\$ 4,905,565			
9													
10	Required Rate of Return	8.93%								8.53%			
11	Operating Income Deficiency (Ln. 10 - Ln. 6)	\$ 3,264,114								\$ 2,502,135			
12													
13	Gross Revenue Conversion Factor	1.6403								1.6403			
14	Required Increase in Gross Revenue (Ln. 14 X Ln. 16)	\$ 5,354,172								\$ 4,104,288			
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31	Customer Classification												
32	Residential	\$ 11,298,423	\$ 14,478,782	\$ 3,180,359	28.15%	\$ 11,298,423	\$ 13,837,510	\$ 2,539,087	22.47%				
33	Commercial	5,412,847	7,237,593	1,824,746	33.71%	5,412,847	6,812,239	1,399,392	25.85%				
34	Industrial	161,824	217,366	55,542	34.32%	161,824	218,971	57,147	35.31%				
35	Large Industrial	209,904	282,545	72,641	34.61%	209,904	285,452	75,548	35.99%				
36	Abbott Laboratories	586,240	672,045	85,805	14.64%	586,240	498,034	(88,207)	-15.05%				
37	Private Fire Service	121,650	170,310	48,660	40.00%	121,650	170,310	48,660	40.00%				
38	Other Water Revenues	215,938	302,299	86,361	39.99%	215,938	288,542	72,604	33.62%				
39	Total Water Revenues	\$ 18,006,827	\$ 23,360,941	\$ 5,354,114	29.73%	\$ 18,006,827	\$ 22,111,057	\$ 4,104,231	22.79%				
40													
41	Miscellaneous Revenues	461,120	461,120	-	0.00%	461,120	461,120	-	0.00%				
42													
43	Total Operating Revenues	\$ 18,467,946	\$ 23,822,061	\$ 5,354,114	28.95%	\$ 18,467,946	\$ 22,572,177	\$ 4,104,231	22.22%				
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**ARIZONA WATER COMPANY**

Test Year Ended December 31, 2014  
 Computation of Increase in Gross Revenue Requirement

Exhibit  
 Schedule A-1 Settlement  
 Page 3 of 4  
 Witness: Reiker

Line No.	Description	White Tank				Settlement			
		[A]	[B]	[C]	[D]		[E]	[F]	[G]
		Company - As Filed							
3	Adjusted Rate Base	\$ 5,107,756				\$ 4,964,851			
5	Adjusted Operating Income	\$ 113,125				\$ 176,365			
7	Current Rate of Return (Ln. 6 + Ln. 4)	2.21%				3.65%			
10	Required Operating Income (Ln. 4 X Ln. 12)	\$ 456,242				\$ 423,484			
12	Required Rate of Return	8.93%				8.53%			
14	Operating Income Deficiency (Ln. 10 - Ln. 6)	\$ 343,116				\$ 247,119			
16	Gross Revenue Conversion Factor	1.6377				1.6377			
18	Required Increase in Gross Revenue (Ln. 14 X Ln. 16)	\$ 561,919				\$ 404,704			
29									
		Customer Classification							
31	Residential	\$ 1,791,595	\$ 2,220,136	\$ 428,541	23.92%	\$ 1,791,595	\$ 2,097,342	\$ 305,747	17.07%
32	Commercial	421,627	542,416	120,789	28.65%	421,627	509,038	87,411	20.73%
33	Industrial	-	-	7,565	0.00%	-	-	-	0.00%
34	Large Industrial	15,992	23,557	-	0.00%	15,992	23,557	7,565	47.31%
35	Abbott Laboratories	-	-	-	0.00%	-	-	-	0.00%
36	Private Fire Service	1,800	2,520	720	40.00%	1,800	2,520	720	40.00%
37	Other Water Revenues	35,331	39,659	4,328	12.25%	35,331	38,616	3,285	9.30%
38									
39	Total Water Revenues	\$ 2,266,346	\$ 2,828,289	\$ 561,944	24.80%	\$ 2,266,346	\$ 2,671,074	\$ 404,729	17.86%
40									
41	Miscellaneous Revenues	44,621	44,621	-	0.00%	44,621	44,621	-	0.00%
42									
43	Total Operating Revenues	\$ 2,310,966	\$ 2,872,910	\$ 561,944	24.32%	\$ 2,310,966	\$ 2,715,695	\$ 404,729	17.51%
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Line No.	Description	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]
		Company - As Filed				Settlement			
1									
2									
3									
4	Adjusted Rate Base	\$ 965,735				\$ 946,016			
5									
6	Adjusted Operating Income	\$ 28,644				\$ 41,628			
7									
8	Current Rate of Return (Ln. 6 + Ln. 4)	2.97%				4.40%			
9									
10	Required Operating Income (Ln. 4 X Ln. 12)	\$ 86,263				\$ 80,692			
11									
12	Required Rate of Return	8.93%				8.53%			
13									
14	Operating Income Deficiency (Ln. 10 - Ln. 6)	\$ 57,618				\$ 39,064			
15									
16	Gross Revenue Conversion Factor	1.6369				1.6369			
17									
18	Required Increase in Gross Revenue (Ln. 14 X Ln. 16)	\$ 94,318				\$ 63,945			
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29									
30	<u>Customer Classification</u>								
31	Residential	\$ 306,927	\$ 370,261	\$ 63,334	20.63%	\$ 306,927	\$ 351,344	\$ 44,417	14.47%
32	Commercial	125,128	155,572	30,444	24.33%	125,128	144,181	19,054	15.23%
33	Industrial	-	-	-	0.00%	-	-	-	0.00%
34	Large Industrial	-	-	-	0.00%	-	-	-	0.00%
35	Abbott Laboratories	-	-	-	0.00%	-	-	-	0.00%
36	Private Fire Service	1,200	1,680	480	40.00%	1,200	1,680	480	40.00%
37	Other Water Revenues	564	592	28	4.94%	564	528	(37)	-6.50%
38									
39	Total Water Revenues	\$ 433,819	\$ 528,105	\$ 94,286	21.73%	\$ 433,819	\$ 497,733	\$ 63,914	14.73%
40									
41	Miscellaneous Revenues	4,101	4,101	-	0.00%	4,101	4,101	-	0.00%
42									
43	Total Operating Revenues	\$ 437,921	\$ 532,206	\$ 94,286	21.53%	\$ 437,921	\$ 501,834	\$ 63,914	14.59%
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Western Group

Line No.		(A) Original Cost Rate Base - As Filed	(B) Settlement Adjustments	(C) Original Cost Rate Base - Settlement
1				
2	Gross Plant in Service	\$ 207,103,607	\$ (2,548,869)	\$ 204,554,738
3				
4	Less:			
5	Accumulated Depreciation	50,872,499	(41,671)	50,830,828
6	Net Plant in Service	\$ 156,231,108	\$ (2,507,198)	\$ 153,723,910
7				
8	Less:			
9	Advances in Aid of Construction	52,761,243	-	52,761,243
10	Contributions in Aid of Construction:			
11	Gross	33,654,716	-	33,654,716
12	Accumulated Amortization	(5,667,819)	-	(5,667,819)
13	Net Contributions in Aid of Construction	\$ 27,986,897	\$ -	\$ 27,986,897
14				
15	Deferred Income Tax	14,084,977	1,217,361	15,302,338
16	Customer Deposits	466,238	-	466,238
17				
18	Add:			
19	Working Capital	1,732,229	(270,365)	1,461,863
20	Net Regulatory Asset / (Liability)	4,753,804	-	4,753,804
21				
22				
23	Total Rate Base	\$ 67,417,785	\$ (3,994,924)	\$ 63,422,861
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Supporting Schedules:  
 B-2 Settlement, B-3 Settlement, B-5 Settlement

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 Processing Date: 5/4/2016 7:39 AM

Recap Schedules:  
 A-1 Settlement

**ARIZONA WATER COMPANY**  
 Test Year Ended December 31, 2014  
 Summary Original Cost Rate Base

Line No.	Pinal Valley			White Tank			Ajo		
	(A) Original Cost Rate Base - As Filed	(B) Settlement Adjustments	(C) Original Cost Rate Base - Settlement	(A) Original Cost Rate Base - As Filed	(B) Settlement Adjustments	(C) Original Cost Rate Base - Settlement	(A) Original Cost Rate Base - As Filed	(B) Settlement Adjustments	(C) Original Cost Rate Base - Settlement
2	\$ 172,895,726	\$ (2,462,705)	\$ 170,433,021	\$ 31,833,216	\$ (73,230)	\$ 31,559,986	\$ 2,574,664	\$ (12,934)	\$ 2,561,731
3									
4									
5	44,260,678	(40,196)	44,220,482	5,425,556	(1,257)	5,424,298	1,186,265	(217)	1,186,048
6	\$ 128,635,048	\$ (2,422,509)	\$ 126,212,539	\$ 26,207,660	\$ (71,973)	\$ 26,135,687	\$ 1,388,399	\$ (12,716)	\$ 1,375,683
7									
8									
9									
10	36,540,428	-	36,540,428	16,185,732	-	16,185,732	35,084	-	35,084
11	29,481,326	-	29,481,326	4,006,138	-	4,006,138	167,252	-	167,252
12	(5,181,305)	-	(5,181,305)	(458,417)	-	(458,417)	(28,097)	-	(28,097)
13	\$ 24,300,021	\$ -	\$ 24,300,021	\$ 3,547,721	\$ -	\$ 3,547,721	\$ 139,155	\$ -	\$ 139,155
14									
15	12,343,427	1,133,789	13,477,215	1,473,620	83,540	1,557,159	267,931	32	267,963
16	422,585	-	422,585	34,152	-	34,152	9,501	-	9,501
17									
18									
19	1,561,902	(276,002)	1,285,900	141,320	12,608	153,927	29,007	(6,971)	22,036
20	4,753,804	-	4,753,804	-	-	-	-	-	-
21									
22									
23									
24	\$ 61,344,294	\$ (3,832,300)	\$ 57,511,994	\$ 5,107,756	\$ (142,905)	\$ 4,964,851	\$ 965,735	\$ (19,719)	\$ 946,016
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**ARIZONA WATER COMPANY**  
 Test Year Ended December 31, 2014  
 Summary Original Cost Rate Base

Line No.	Phoenix Office			Meter Shop		
	(A) Original Cost Rate Base - As Filed	(B) Settlement Adjustments	(C) Original Cost Rate Base - Settlement	(A) Original Cost Rate Base - As Filed	(B) Settlement Adjustments	(C) Original Cost Rate Base - Settlement
1						
2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3						
4						
5						
6	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
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9						
10						
11						
12						
13	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
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Line No.	Plant Classification	Western Group											
		(A) Test Year Ended 12/31/2014	(B) Pro Forma Adjustments - As Filed	(C) Adjusted Test Year - As Filed	(D) Settlement No. 1	(E) Settlement No. 2	(F) Settlement No. 3	(G) Settlement Rate Base Adjustments	(H) Settlement	(I) Settlement	(J) Settlement No. 4	(K) Total Settlement Adjustments	(L) Adjusted Test Year - Settlement
1	Intrigable Plant	\$ 2,004,857	\$ 3,462	\$ 2,008,319	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Source of Supply Plant	9,203,159	387,593	9,590,752	16,383	-	-	-	-	-	-	-	9,607,135
3	Pumping Plant	17,282,691	2,753,500	20,036,191	(138,876)	-	-	-	-	-	-	-	19,897,314
4	Water Treatment Plant	19,755,246	3,123,776	22,879,022	(1,551,070)	-	-	-	-	-	-	-	21,327,952
5	Transmission & Distribution Plant	141,046,101	3,036,870	144,084,971	(792,878)	-	-	-	-	-	-	-	143,292,093
6	General Plant	5,116,182	3,388,170	8,504,352	(14,940)	-	-	-	-	-	-	-	8,421,923
7	Total Gross Plant in Service	\$ 194,410,236	\$ 12,693,371	\$ 207,103,607	\$ (2,481,380)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 204,554,738
8	Less:												
9	Accumulated Depreciation	49,545,804	1,328,694	50,874,499	(39,943)	-	-	-	-	-	-	-	50,830,828
10	Net Plant in Service	\$ 144,864,432	\$ 11,366,676	\$ 156,231,108	\$ (2,441,437)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 153,723,910
11	Less:												
12	Advances in Aid of Construction	52,761,243	-	52,761,243	-	-	-	-	-	-	-	-	52,761,243
13	Contributions in Aid of Construction:												
14	Gross	33,654,716	-	33,654,716	-	-	-	-	-	-	-	-	33,654,716
15	Accumulated Amortization	(5,667,819)	-	(5,667,819)	-	-	-	-	-	-	-	-	(5,667,819)
16	Net Contributions in Aid of Construction	\$ 27,986,897	\$ -	\$ 27,986,897	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27,986,897
17	Deferred Income Tax	-	14,084,977	14,084,977	-	1,215,659	-	-	-	-	-	-	15,302,338
18	Customer Deposits	466,238	-	466,238	-	-	-	-	-	-	-	-	466,238
19	Add:												
20	Working Capital	1,732,229	-	1,732,229	-	-	(270,365)	-	-	-	-	-	1,461,863
21	Net Regulatory Asset / (Liability)	-	4,753,804	4,753,804	-	-	-	-	-	-	-	-	4,753,804
22	Total Rate Base	\$ 65,382,282	\$ 2,035,503	\$ 67,417,785	\$ (2,441,437)	\$ (1,215,659)	\$ (270,365)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 63,422,861
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**ARIZONA WATER COMPANY**

Test Year Ended December 31, 2014  
Original Cost Rate Base Proforma Adjustments

Exhibit  
Schedule B-2 Settlement  
Page 2 of 6  
Witness: Reiker

Line No.	Plant Classification	Pinal Valley										
		[A] Test Year Ended 12/31/2014	[B] Pro Forma Adjustments - As Filed	[C] Adjusted Test Year - As Filed	[D] Settlement No. 1	[E] Settlement No. 2	[F] Settlement No. 3	[G] Settlement Rate Base Adjustments	[H] BLANK	[I] BLANK	[J] Settlement No. 4	[K] Total Settlement Adjustments
2	Intangible Plant	\$ 1,986,263	\$ 3,034	\$ 1,989,297	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,989,297
3	Sources of Supply Plant	7,259,484	387,590	7,647,074	16,383	-	-	-	-	-	16,383	7,663,457
4	Pumping Plant	13,907,075	2,741,500	16,648,575	(135,731)	-	-	-	-	-	(135,731)	16,512,844
5	Water Treatment Plant	10,992,296	3,069,680	14,061,976	(1,551,257)	-	-	-	-	-	(1,551,257)	12,510,719
6	Transmission & Distribution Plant	122,439,758	2,879,586	125,319,344	(711,406)	-	-	-	-	-	(711,406)	124,607,938
7	General Plant	4,543,347	2,686,113	7,229,460	(21,550)	-	-	-	-	-	(80,694)	7,148,766
8	Total Gross Plant in Service	\$ 161,128,223	\$ 11,767,503	\$ 172,895,726	\$ (2,403,561)	\$ -	\$ -	\$ -	\$ -	\$ (59,144)	\$ (2,462,705)	\$ 170,433,021
9												
10												
11	Less:											
12	Accumulated Depreciation	43,090,136	1,170,542	44,260,678	(38,682)	-	-	-	-	(1,514)	(40,196)	44,220,482
13	Net Plant in Service	\$ 118,038,087	\$ 10,596,961	\$ 128,635,048	\$ (2,364,879)	\$ -	\$ -	\$ -	\$ -	\$ (57,630)	\$ (2,422,509)	\$ 126,212,539
14												
15												
16	Less:											
17	Advances in Aid of Construction	36,540,428	-	36,540,428	-	-	-	-	-	-	-	36,540,428
18	Contributions in Aid of Construction:											
19	Gross	29,481,326	-	29,481,326	-	-	-	-	-	-	-	29,481,326
20	Accumulated Amortization	(5,181,305)	-	(5,181,305)	-	-	-	-	-	-	-	(5,181,305)
21	Net Contributions in Aid of Construction	\$ 24,300,021	\$ -	\$ 24,300,021	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 24,300,021
22	Deferred Income Tax	-	12,343,427	12,343,427	-	1,132,298	-	-	1,491	-	1,133,789	13,477,215
23	Customer Deposits	422,585	-	422,585	-	-	-	-	-	-	-	422,585
24												
25	Add:											
26	Working Capital	1,561,902	-	1,561,902	-	-	-	-	-	-	-	1,561,902
27	Net Regulatory Asset / (Liability)	-	4,753,804	4,753,804	-	(276,002)	-	-	-	-	(276,002)	4,477,802
28												
29												
30	Total Rate Base	\$ 58,336,956	\$ 3,007,338	\$ 61,344,294	\$ (2,364,879)	\$ (1,132,298)	\$ -	\$ -	\$ -	\$ (59,121)	\$ (3,632,300)	\$ 57,511,994
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**ARIZONA WATER COMPANY**

Test Year Ended December 31, 2014  
Original Cost Rate Base Proforma Adjustments

Exhibit  
Schedule B-2 Settlement  
Page 3 of 6  
Witness: Reiker

Line No.	Plant Classification	White Tank											
		(A) Test Year Ended 12/31/2014	(B) Pro Forma Adjustments - As Filed	(C) Adjusted Test Year - As Filed	(D) Settlement No. 1	(E) Settlement No. 2	(F) Settlement No. 3	(G) Settlement Rate Base Adjustments	(H) BLANK	(I) BLANK	(J) Settlement No. 4	(K) Total Settlement Adjustments	(L) Adjusted Test Year - Settlement
1													
2	Intangible Plant	\$ 14,082	\$ 362	\$ 14,444	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,444
3	Source of Supply Plant	1,932,439	3	1,932,442	-	-	-	-	-	-	-	-	1,932,442
4	Pumping Plant	3,272,147	12,000	3,284,147	(3,145)	-	-	-	-	-	-	-	3,281,002
5	Water Treatment Plant	8,758,660	54,081	8,812,741	187	-	-	-	-	-	-	-	8,812,928
6	Transmission & Distribution Plant	16,561,673	146,040	16,707,713	(70,271)	-	-	-	-	-	-	-	16,637,442
7	General Plant	237,407	644,321	881,728	7,060	-	-	-	-	(7,061)	-	(1)	881,727
8	Total Gross Plant in Service	\$ 30,776,409	\$ 856,807	\$ 31,633,216	\$ (66,170)	\$ -	\$ -	\$ -	\$ -	\$ (7,061)	\$ (73,230)	\$ -	\$ 31,559,986
9													
10													
11	Less:												
12	Accumulated Depreciation	5,291,428	134,127	5,425,556	(1,077)	-	-	-	-	(181)	(1,257)	-	5,424,298
13	Net Plant in Service	\$ 25,484,981	\$ 722,680	\$ 26,207,660	\$ (65,093)	\$ -	\$ -	\$ -	\$ -	\$ (6,880)	\$ (71,973)	\$ -	\$ 26,135,687
14													
15	Less:												
16	Advances in Aid of Construction	16,185,732	-	16,185,732	-	-	-	-	-	-	-	-	16,185,732
17	Contributions in Aid of Construction:												
18	Gross	4,006,138	-	4,006,138	-	-	-	-	-	-	-	-	4,006,138
19	Accumulated Amortization	(458,417)	-	(458,417)	-	-	-	-	-	-	-	-	(458,417)
20	Net Contributions in Aid of Construction	\$ 3,547,721	\$ -	\$ 3,547,721	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,547,721
21													
22	Deferred Income Tax	-	1,473,620	1,473,620	83,362	-	-	-	-	178	83,540	-	1,557,159
23	Customer Deposits	34,152	-	34,152	-	-	-	-	-	-	-	-	34,152
24													
25	Add:												
26	Working Capital	141,320	-	141,320	-	-	-	-	-	12,608	-	-	153,927
27	Net Regulatory Asset / (Liability)												
28													
29													
30	Total Rate Base	\$ 5,858,686	\$ (750,940)	\$ 5,107,756	\$ (65,093)	\$ (83,362)	\$ -	\$ -	\$ -	\$ (7,058)	\$ (142,905)	\$ -	\$ 4,964,851
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**ARIZONA WATER COMPANY**  
 Test Year Ended December 31, 2014  
 Original Cost Rate Base Pro Forma Adjustments

Exhibit  
 Schedule B-2 Settlement  
 Page 4 of 6  
 Witness: Reiter

Line No.	Plant Classification	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)
		Test Year Ended 12/31/2014	Pro Forma Adjustments - As Filed	Adjusted Test Year - As Filed	Settlement No. 1	Settlement No. 2	Settlement No. 3	Settlement Rate Base Adjustments	BLANK	BLANK	BLANK	Settlement No. 4	Total Settlement Adjustments
1	Plant Classification												
2	Intangible Plant	\$ 4,512	\$ 66	\$ 4,578	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,578
3	Source of Supply Plant	11,236	1	11,236	-	-	-	-	-	-	-	-	11,236
4	Pumping Plant	103,468	-	103,468	-	-	-	-	-	-	-	-	103,468
5	Water Treatment Plant	4,280	15	4,305	-	-	-	-	-	-	-	-	4,305
6	Transmission & Distribution Plant	2,046,670	11,244	2,057,913	(11,200)	-	-	-	-	-	-	(11,200)	2,046,713
7	General Plant	335,429	57,736	393,164	(450)	-	-	-	-	-	(1,284)	(1,734)	391,430
8	Total Gross Plant in Service	\$ 2,505,604	\$ 69,080	\$ 2,574,684	\$ (11,650)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,284)	\$ (12,934)	\$ 2,561,731
9													
10													
11	Less:												
12	Accumulated Depreciation	1,164,240	22,025	1,186,265	(185)	-	-	-	-	-	(33)	(217)	1,186,048
13	Net Plant in Service	\$ 1,341,364	\$ 47,035	\$ 1,388,399	\$ (11,465)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,251)	\$ (12,716)	\$ 1,375,683
14													
15	Less:												
16	Advances in Aid of Construction	35,084	-	35,084	-	-	-	-	-	-	-	-	35,084
17	Contributions in Aid of Construction:												
18	Gross	167,252	-	167,252	-	-	-	-	-	-	-	-	167,252
19	Accumulated Amortization	(28,097)	-	(28,097)	-	-	-	-	-	-	-	-	(28,097)
20	Net Contributions in Aid of Construction	\$ 139,155	\$ -	\$ 139,155	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 139,155
21													
22	Deferred Income Tax	-	267,931	267,931	-	-	-	-	-	-	32	32	267,963
23	Customer Deposits	9,501	-	9,501	-	-	-	-	-	-	-	-	9,501
24													
25	Add:												
26	Working Capital	29,007	-	29,007	-	-	(6,971)	-	-	-	-	(6,971)	22,036
27	Net Regulatory Asset / (Liability)												
28													
29													
30	Total Rate Base	\$ 1,186,631	\$ (220,896)	\$ 965,735	\$ (11,465)	\$ -	\$ (6,971)	\$ -	\$ -	\$ -	\$ (1,283)	\$ (19,719)	\$ 946,016
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Line No.	Plant Classification	Phoenix Office															
		[A] Test Year Ended 12/31/2014	[B] Pro Forma Adjustments - As Filed	[C] Adjusted Test Year - As Filed	[D] Settlement No. 1		[E] Settlement No. 2		[F] Settlement No. 3		[G] Settlement Rate Base Adjustments		[H] BLANK	[I] BLANK	[J] Settlement No. 4	[K] Total Settlement Adjustments	[L] Adjusted Test Year - Settlement
1																	
2	Intangible Plant	\$ 9,147	\$ (9,147)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3	Source of Supply Plant	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Pumping Plant	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Water Treatment Plant	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Transmission & Distribution Plant	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	General Plant	7,607,446	(7,607,446)	-	(176,556)	-	-	-	-	-	-	-	-	-	-	-	-
8	Total Gross Plant in Service	\$ 7,616,593	\$ (7,616,593)	\$ -	\$ (176,556)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 176,556	\$ 176,556	\$ -
9																	
10																	
11	Less:																
12	Accumulated Depreciation	2,954,856	(2,954,856)	-	(4,520)	-	-	-	-	-	-	-	-	-	4,520	-	-
13	Net Plant in Service	\$ 4,661,737	\$ (4,661,737)	\$ -	\$ (172,036)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 172,036	\$ -	\$ -
14																	
15	Less:																
16	Advances in Aid of Construction	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17	Contributions in Aid of Construction:																
18	Gross	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Accumulated Amortization	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	Net Contributions in Aid of Construction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
21																	
22	Deferred Income Tax	37,212,622	(37,212,622)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23	Customer Deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24																	
25	Add:																
26	Working Capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
27	Net Regulatory Asset / (Liability)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
28																	
29																	
30	Total Rate Base	\$ (32,550,885)	\$ 32,550,885	\$ -	\$ (172,036)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 176,531	\$ -	\$ -
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Line No.	Plant Classification	[A] Test Year Ended 12/31/2014	[B] Pro Forma Adjustments - As Filed	[C] Adjusted Test Year - As Filed	Meter Shop				[K] Total Settlement Adjustments	[L] Adjusted Test Year - Settlement
					[D] Settlement No. 1	[E] Settlement No. 2	[F] Settlement No. 3	[G] Settlement Rate Base Adjustments		
					[H] BLANK	[I] BLANK	[J] Settlement No. 4			
1										
2	Intangible Plant	\$ -	\$ -	\$ -			\$ -	\$ -	\$ -	
3	Source of Supply Plant	80	(80)	-						
4	Pumping Plant	-	-	-						
5	Water Treatment Plant	2,050	(2,050)	-						
6	Transmission & Distribution Plant	6,066	(6,066)	-						
7	General Plant	145,131	(145,131)	-			1,750			
8	Total Gross Plant in Service	\$ 153,327	\$ (153,327)	\$ -			\$ 1,750	\$ -	\$ -	
9										
10										
11	Less:									
12	Accumulated Depreciation	73,158	(73,158)	(45)			45			
13	Net Plant in Service	\$ 80,169	\$ (80,169)	\$ -			\$ 1,705	\$ -	\$ -	
14										
15	Less:									
16	Advances in Aid of Construction	-	-	-						
17	Contributions in Aid of Construction:									
18	Gross	-	-	-						
19	Accumulated Amortization	-	-	-						
20	Net Contributions in Aid of Construction	\$ -	\$ -	\$ -			\$ -	\$ -	\$ -	
21										
22	Deferred Income Tax	-	-	-						
23	Customer Deposits	-	-	-						
24										
25	Add:									
26	Working Capital	-	-	-						
27	Net Regulatory Asset / (Liability)	-	-	-						
28										
29										
30	Total Rate Base	\$ 80,169	\$ (80,169)	\$ -			\$ 1,705	\$ -	\$ -	
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ARIZONA WATER COMPANY  
 Test Year Ended December 31, 2014  
 Settlement Rate Base Adjustment No. 1  
 True-Up Post-Test Year Plant to Reflect Actual Expenditures for Projects  
 Placed in Service as of Dec. 31, 2015, and Eliminate Blanket Projects

Pinal Valley

[A] [B] [C] [D]

Line No.	Description	Depreciation Rate	Blankets		Increase / (Decrease)	Adjstnt to Depreciation Expense
			As Filed	Settlement		
1	Intangible Plant					
2	301 Organization	0.00%	\$ -	\$ -	\$ -	\$ -
3	302 Franchises	n/a	-	-	-	-
4	303 Other Intangibles	n/a	-	-	-	-
5	Subtotal Intangible Plant		\$ -	\$ -	\$ -	\$ -
6	Source of Supply Plant					
7	310.1 Water Rights	0.00%	-	-	-	-
8	310.3 Other Source of Supply Land	0.00%	-	-	-	-
9	310.4 Wells - Other	n/a	-	-	-	-
10	314 Wells	3.13%	-	-	-	-
11	Subtotal Source of Sup. Plant		\$ -	\$ -	\$ -	\$ -
12	Pumping Plant					
13	320 Pumping Plant Land	0.00%	-	-	-	-
14	321 Pumping Plant Struct. & Improv.	2.86%	-	-	-	-
15	325 Electric Pumping Equipment	5.86%	60,000	-	(60,000)	(3,528)
16	328 Gas Engine Equipment	4.00%	-	-	-	-
17	Subtotal Pumping Plant		\$ 60,000	\$ -	\$ (60,000)	\$ (3,528)
18	Water Treatment Plant					
19	330 Water Treatment Plant Land	0.00%	-	-	-	-
20	331 Water Trmt. Struct. & Improv.	2.50%	-	-	-	-
21	332 Water Treatment Equipment	2.86%	-	-	-	-
22	Subtotal Water Trmt. Plant		\$ -	\$ -	\$ -	\$ -
23	Transmission & Distribution Plant					
24	340 Trans. and Dist. Land	0.00%	-	-	-	-
25	341 Transmission and Distribution Structure	3.33%	-	-	-	-
26	342 Storage Tanks	2.00%	-	-	-	-
27	343 Trans. & Dist. Mains	1.79%	170,000	-	(170,000)	(3,043)
28	344 Fire Sprinkler Taps	2.00%	-	-	-	-
29	345 Services	2.38%	175,000	-	(175,000)	(4,165)
30	346 Meters	4.55%	410,000	-	(410,000)	(18,655)
31	348 Hydrants	1.82%	20,000	-	(20,000)	(964)
32	Subtotal Trans. & Dist.		\$ 775,000	\$ -	\$ (775,000)	\$ (26,227)
33	General Plant					
34	389 General Plant Land	0.00%	-	-	-	-
35	390 General Plant Structures	2.50%	-	-	-	-
36	390.1 Leasehold Improvements	n/a	-	-	-	-
37	391 Office Furniture & Equipment	6.67%	8,000	-	(8,000)	(534)
38	393 Warehouse Equipment	5.00%	-	-	-	-
39	394 Tools, Shop & Garage Equip.	4.00%	12,000	-	(12,000)	(480)
40	395 Laboratory Equipment	5.00%	-	-	-	-
41	396 Power Operated Equipment	6.67%	-	-	-	-
42	397 Communication Equipment	6.67%	-	-	-	-
43	398 Miscellaneous Equipment	3.33%	-	-	-	-
44	Subtotal General Plant		\$ 20,000	\$ -	\$ (20,000)	\$ (1,014)
45	Total Utility Plant		\$ 855,000	\$ -	\$ (855,000)	\$ (30,769)
47	Accumulated Depreciation (1/2-Year Convention)					
48	Net Plant					
49						\$ (15,384)
50						\$ (839,616)
51						
52						
53						
54						
55						

Phinal Valley (Continued)

Line No.	Description	Work Authorization 1-5167			Increase / Decrease	Adjstmt to Depreciation Expense
		As Filed	Settlement <sup>1</sup>			
1	Intangible Plant					
2	301 Organization	0.00%	\$		\$	
3	302 Franchises	n/a				
4	303 Other Intangibles	n/a				
5	Subtotal Intangible Plant		\$		\$	
6	Source of Supply Plant					
7	310.1 Water Rights	0.00%				
8	310.3 Other Source of Supply Land	0.00%				
9	310.4 Wells - Other	n/a				
10	314 Wells	3.13%				
11	Subtotal Source of Sup. Plant		\$		\$	
12	Pumping Plant					
13	320 Pumping Plant Land	0.00%				
14	321 Pumping Plant Struct. & Improv.	2.86%				
15	325 Electric Pumping Equipment	5.88%	44,550	44,550	2,620	
16	328 Gas Engine Equipment	4.00%				
17	Subtotal Pumping Plant		\$ 44,550	\$ 44,550	\$ 2,620	
18	Water Treatment Plant					
19	330 Water Treatment Plant Land	0.00%				
20	331 Water Trtmt. Struct. & Improv.	2.50%				
21	332 Water Treatment Equipment	2.86%	1,250,000	1,281,823	31,823	
22	Subtotal Water Trtmt. Plant		\$ 1,250,000	\$ 1,281,823	\$ 31,823	
23	Transmission & Distribution Plant					
24	340 Trans. and Dist. Land	0.00%				
25	341 Transmission and Distribution Structur	3.33%				
26	342 Storage Tanks	2.00%				
27	343 Trans. & Dist. Mains	1.79%				
28	344 Fire Sprinkler Taps	2.00%				
29	345 Services	2.38%				
30	346 Meters	4.55%				
31	348 Hydrants	1.82%				
32	Subtotal Trans. & Dist.		\$		\$	
33	General Plant					
34	389 General Plant Land	0.00%				
35	390 General Plant Structures	2.50%	6,073	6,073	152	
36	390.1 Leasehold Improvements	n/a				
37	391 Office Furniture & Equipment	6.67%				
38	393 Warehouse Equipment	5.00%				
39	394 Tools, Shop & Garage Equip.	4.00%				
40	395 Laboratory Equipment	5.00%				
41	396 Power Operated Equipment	6.67%				
42	397 Communication Equipment	6.67%				
43	398 Miscellaneous Equipment	3.33%				
44	Subtotal General Plant		\$ 6,073	\$ 6,073	\$ 152	
45	Total Utility Plant		\$ 1,250,000	\$ 1,332,447	\$ 3,682	
46	Accumulated Depreciation (12-Year Convention)				\$ 1,841	
47	Net Plant				\$ 80,606	

<sup>1</sup>Updated costs provided in response to Staff data request BAB 8.1/RUCO data request 6.01.

Line No.	Description	[A]		[B]	[C]	[D]
		Depreciation Rate	As Filed	Settlement <sup>1</sup>	Increase / (Decrease)	Adjstmt' to Depreciation Expense
			Pinal Valley (Continued)			
			Work Authorization 1-5169			
1	Intangible Plant					
2	301 Organization	0.00%	\$ -	\$ -		\$ -
3	302 Franchises	n/a	-	-		-
4	303 Other Intangibles	n/a	-	-		-
5	Subtotal Intangible Plant		\$ -	\$ -		\$ -
6	Source of Supply Plant					
7	310.1 Water Rights	0.00%	-	-		-
8	310.3 Other Source of Supply Land	0.00%	-	-		-
9	310.4 Wells - Other	n/a	-	-		-
10	314 Wells	3.13%	-	-		-
11	Subtotal Source of Sup. Plant		\$ -	\$ -		\$ -
12	Pumping Plant					
13	320 Pumping Plant Land	0.00%	-	-		-
14	321 Pumping Plant Struct. & Improv.	2.86%	-	-		-
15	325 Electric Pumping Equipment	5.88%	-	-		-
16	328 Gas Engine Equipment	4.00%	-	-		-
17	Subtotal Pumping Plant		\$ -	\$ -		\$ -
18	Water Treatment Plant					
19	330 Water Treatment Plant Land	0.00%	-	-		-
20	331 Water Trtmt. Struct. & Improv.	2.50%	-	-		-
21	332 Water Treatment Equipment	2.86%	-	-		-
22	Subtotal Water Trtmt. Plant		\$ -	\$ -		\$ -
23	Transmission & Distribution Plant					
24	340 Trans. and Dist. Land	0.00%	-	-		-
25	341 Transmission and Distribution Structur	3.33%	-	-		-
26	342 Storage Tanks	2.00%	-	-		-
27	343 Trans. & Dist. Mains	1.79%	382,000	383,855	(8,145)	(146)
28	344 Fire Sprinkler Taps	2.00%	-	-		-
29	345 Services	2.38%	-	18,776	18,776	447
30	346 Meters	4.55%	-	-		-
31	348 Hydrants	1.82%	-	5,783	5,783	105
32	Subtotal Trans. & Dist.		\$ 392,000	\$ 408,414	\$ 16,414	\$ 406
33	General Plant					
34	389 General Plant Land	0.00%	-	-		-
35	390 General Plant Structures	2.50%	-	-		-
36	390.1 Leasehold Improvements	n/a	-	-		-
37	391 Office Furniture & Equipment	6.67%	-	-		-
38	393 Warehouse Equipment	5.00%	-	-		-
39	394 Tools, Shop & Garage Equip.	4.00%	-	-		-
40	395 Laboratory Equipment	5.00%	-	-		-
41	396 Power Operated Equipment	6.67%	-	-		-
42	397 Communication Equipment	6.67%	-	-		-
43	398 Miscellaneous Equipment	3.33%	-	-		-
44	Subtotal General Plant		\$ -	\$ -		\$ -
45	Total Utility Plant		\$ 392,000	\$ 408,414	\$ 16,414	\$ 406
46	Accumulated Depreciation (1/2-Year Convention)					
47			\$ -	\$ -		\$ -
48	Net Plant		\$ 392,000	\$ 408,414	\$ 16,414	\$ 203
49						
50						
51						
52						
53						
54						
55						

<sup>1</sup>Updated costs provided in response to Staff data request BAB 8.1/RUCO data request 6.01.

Line No.	Description	[A]		[B]		[C]		[D]
		Depreciation Rate	As Filed	Settlement	Increase / Decrease	Adjsim't to Depreciation Expense		
1	Intangible Plant							
2	301 Organization	0.00%	\$ -	\$ -		\$ -		
3	302 Franchises	n/a	-	-		-		
4	303 Other Intangibles	n/a	-	-		-		
5	Subtotal Intangible Plant		\$ -	\$ -		\$ -		
6	Source of Supply Plant							
7	310.1 Water Rights	0.00%	-	-		-		
8	310.3 Other Source of Supply Land	0.00%	-	-		-		
9	310.4 Wells - Other	n/a	-	-		-		
10	314 Wells	3.13%	-	-		-		
11	Subtotal Source of Sup. Plant		\$ -	\$ -		\$ -		
12	Pumping Plant							
13	320 Pumping Plant Land	0.00%	-	-		-		
14	321 Pumping Plant Struct. & Improv.	2.86%	-	-		-		
15	325 Electric Pumping Equipment	5.88%	-	-		-		
16	328 Gas Engine Equipment	4.00%	-	-		-		
17	Subtotal Pumping Plant		\$ -	\$ -		\$ -		
18	Water Treatment Plant							
19	330 Water Treatment Plant Land	0.00%	-	-		-		
20	331 Water Trtmt. Struct. & Improv.	2.50%	-	-		-		
21	332 Water Treatment Equipment	2.86%	-	-		-		
22	Subtotal Water Trtmt. Plant		\$ -	\$ -		\$ -		
23	Transmission & Distribution Plant							
24	340 Trans. and Dist. Land	0.00%	-	-		-		
25	341 Transmission and Distribution Structur	3.33%	-	-		-		
26	342 Storage Tanks	2.00%	-	-		-		
27	343 Trans. & Dist. Mains	1.79%	517,000	551,402		34,402	616	
28	344 Fire Sprinkler Taps	2.00%	-	-		-		
29	345 Services	2.38%	-	-		-		
30	346 Meters	4.55%	-	-		-		
31	348 Hydrants	1.82%	-	-		-		
32	Subtotal Trans. & Dist.		\$ 517,000	\$ 551,402		\$ 34,402	\$ 616	
33	General Plant							
34	389 General Plant Land	0.00%	-	-		-		
35	390 General Plant Structures	2.50%	-	-		-		
36	390.1 Leasehold Improvements	n/a	-	-		-		
37	391 Office Furniture & Equipment	6.67%	-	-		-		
38	393 Warehouse Equipment	5.00%	-	-		-		
39	394 Tools, Shop & Garage Equip.	4.00%	-	-		-		
40	395 Laboratory Equipment	5.00%	-	-		-		
41	396 Power Operated Equipment	6.67%	-	-		-		
42	397 Communication Equipment	6.67%	-	-		-		
43	398 Miscellaneous Equipment	3.33%	-	-		-		
44	Subtotal General Plant		\$ -	\$ -		\$ -	\$ -	
45	Total Utility Plant		\$ 517,000	\$ 551,402		\$ 34,402	\$ 616	
46	Accumulated Depreciation (1/2-Year Convention)							
47	Net Plant							
48			\$ -	\$ -		\$ -	\$ 308	
49							\$ 34,094	
50								
51								
52								
53								
54								
55								

\*Updated costs provided in response to Staff data request BAB 8.1/RUCO data request 6.01.

Test Year Ended December 31, 2014  
 Settlement Rate Base Adjustment No. 1 (continued)  
 True-Up Post-Year Plant to Reflect Actual Expenditures for Projects  
 Placed in Service as of Dec. 31, 2015, and Eliminate Blanket Projects

Line No.	Description	Pinal Valley (Continued)				Adjustm't to Depreciation Expense
		[A] Depreciation Rate	[B] Work Authorization 1-5164 As Filed	[C] Settlement <sup>1</sup>	[D] Increase / (Decrease)	
1	Intangible Plant					
2	301 Organization	0.00%	\$ -	\$ -	\$ -	
3	302 Franchises	n/a	-	-	-	
4	303 Other Intangibles	n/a	-	-	-	
5	Subtotal Intangible Plant		\$ -	\$ -	\$ -	
6	Source of Supply Plant					
7	310.1 Water Rights	0.00%	-	-	-	
8	310.3 Other Source of Supply Land	0.00%	-	-	-	
9	310.4 Wells - Other	n/a	-	-	-	
10	314 Wells	3.13%	-	-	-	
11	Subtotal Source of Sup. Plant		\$ -	\$ -	\$ -	
12	Pumping Plant					
13	320 Pumping Plant Land	0.00%	-	-	-	
14	321 Pumping Plant Struct. & Improv.	2.86%	-	-	-	
15	325 Electric Pumping Equipment	5.88%	175,000	126,887	(48,113)	(2,829)
16	328 Gas Engine Equipment	4.00%	-	-	-	
17	Subtotal Pumping Plant		\$ 175,000	\$ 126,887	\$ (48,113)	
18	Water Treatment Plant					
19	330 Water Treatment Plant Land	0.00%	-	-	-	
20	331 Water Trtmt. Struct. & Improv.	2.50%	-	-	-	
21	332 Water Treatment Equipment	2.86%	-	-	-	
22	Subtotal Water Trtmt. Plant		\$ -	\$ -	\$ -	
23	Transmission & Distribution Plant					
24	340 Trans. and Dist. Land	0.00%	-	-	-	
25	341 Transmission and Distribution Structur	3.33%	-	-	-	
26	342 Storage Tanks	2.00%	-	-	-	
27	343 Trans. & Dist. Mains	1.79%	-	-	-	
28	344 Fire Sprinkler Taps	2.00%	-	-	-	
29	345 Services	2.38%	-	-	-	
30	346 Meters	4.55%	-	-	-	
31	348 Hydrants	1.82%	-	-	-	
32	Subtotal Trans. & Dist.		\$ -	\$ -	\$ -	
33	General Plant					
34	389 General Plant Land	0.00%	-	-	-	
35	390 General Plant Structures	2.50%	-	-	-	
36	390.1 Leasehold Improvements	n/a	-	-	-	
37	391 Office Furniture & Equipment	6.67%	-	-	-	
38	393 Warehouse Equipment	5.00%	-	-	-	
39	394 Tools, Shop & Garage Equip.	4.00%	-	-	-	
40	395 Laboratory Equipment	5.00%	-	-	-	
41	396 Power Operated Equipment	6.67%	-	-	-	
42	397 Communication Equipment	6.67%	-	-	-	
43	398 Miscellaneous Equipment	3.33%	-	-	-	
44	Subtotal General Plant		\$ -	\$ -	\$ -	
45	Total Utility Plant		\$ 175,000	\$ 126,887	\$ (48,113)	
46	Accumulated Depreciation (1/2-Year Convention)					\$ (2,829)
47	Net Plant					\$ (1,415)
48						\$ (46,699)

Updated costs provided in response to Staff data request BAB 8.1/RUCO data request 6.01.

Line No.	Description	Pinjal Valley (Continued)				Adjustm't to Depreciation Expense
		(A) Depreciation Rate	(B) Work Authorization 1-5170 As Filed	(C) Settlement <sup>1</sup>	(D) Increase / (Decrease)	
1	Intangible Plant					
2	301 Organization	0.00%	\$ -	\$ -	\$ -	
3	302 Franchises	n/a	-	-	-	
4	303 Other Intangibles	n/a	-	-	-	
5	Subtotal Intangible Plant		\$ -	\$ -	\$ -	
6	Source of Supply Plant					
7	310.1 Water Rights	0.00%	-	-	-	
8	310.3 Other Source of Supply Land	0.00%	-	-	-	
9	310.4 Wells - Other	n/a	-	-	-	
10	314 Wells	3.13%	-	-	-	
11	Subtotal Source of Sup. Plant		\$ -	\$ -	\$ -	
12	Pumping Plant					
13	320 Pumping Plant Land	0.00%	-	-	-	
14	321 Pumping Plant Struct. & Improv.	2.86%	-	-	-	
15	325 Electric Pumping Equipment	5.88%	1,200,000	1,270,570	70,570	4,150
16	328 Gas Engine Equipment	4.00%	-	-	-	
17	Subtotal Pumping Plant		\$ 1,200,000	\$ 1,270,570	\$ 70,570	\$ 4,150
18	Water Treatment Plant					
19	330 Water Treatment Plant Land	0.00%	-	-	-	
20	331 Water Trtmt. Struct. & Improv.	2.50%	-	-	-	
21	332 Water Treatment Equipment	2.86%	-	-	-	
22	Subtotal Water Trtmt. Plant		\$ -	\$ -	\$ -	
23	Transmission & Distribution Plant					
24	340 Trans. and Dist. Land	0.00%	-	-	-	
25	341 Transmission and Distribution Structur	3.33%	-	-	-	
26	342 Storage Tanks	2.00%	-	-	-	
27	343 Trans. & Dist. Mains	1.79%	-	-	-	
28	344 Fire Sprinkler Taps	2.00%	-	-	-	
29	345 Services	2.38%	-	-	-	
30	346 Meters	4.55%	-	-	-	
31	348 Hydrants	1.82%	-	-	-	
32	Subtotal Trans. & Dist.		\$ -	\$ -	\$ -	
33	General Plant					
34	389 General Plant Land	0.00%	-	-	-	
35	390 General Plant Structures	2.50%	-	-	-	
36	390.1 Leasehold Improvements	n/a	-	-	-	
37	391 Office Furniture & Equipment	6.67%	-	-	-	
38	393 Warehouse Equipment	5.00%	-	-	-	
39	394 Tools, Shop & Garage Equip.	4.00%	-	-	-	
40	395 Laboratory Equipment	5.00%	-	-	-	
41	396 Power Operated Equipment	6.67%	-	-	-	
42	397 Communication Equipment	6.67%	-	-	-	
43	398 Miscellaneous Equipment	3.33%	-	-	-	
44	Subtotal General Plant		\$ -	\$ -	\$ -	
45	Total Utility Plant		\$ 1,200,000	\$ 1,270,570	\$ 70,570	\$ 4,150
46	Accumulated Depreciation (1/2-Year Convention)					\$ 2,075
47	Net Plant					\$ 68,496

<sup>1</sup>Updated costs provided in response to Staff data request BAB 8.1/RUCO data request 6.01.

**ARIZONA WATER COMPANY**  
Test Year Ended December 31, 2014  
Settlement Rate Base Adjustment No. 1 (continued)  
True-Up Post-Test Year Plant to Reflect Actual Expenditures for Projects  
Placed in Service as of Dec. 31, 2015, and Eliminate Blanket Projects

Line No.	Description	Pinal Valley (Continued)			Adjstm't to Depreciation Expense
		(A) As Filed	(B) Settlement <sup>1</sup>	(C) Increase / (Decrease)	
1	Intangible Plant				
2	301 Organization	0.00%	\$ -	\$ -	\$ -
3	302 Franchises	n/a	-	-	-
4	303 Other Intangibles	n/a	-	-	-
5	Subtotal Intangible Plant		\$ -	\$ -	\$ -
6	Source of Supply Plant				
7	310.1 Water Rights	0.00%	-	-	-
8	310.3 Other Source of Supply Land	0.00%	-	-	-
9	310.4 Wells - Other	n/a	-	-	-
10	314 Wells	3.13%	-	-	-
11	Subtotal Source of Sup. Plant		\$ -	\$ -	\$ -
12	Pumping Plant				
13	320 Pumping Plant Land	0.00%	-	-	-
14	321 Pumping Plant Struct. & Improv.	2.86%	-	-	-
15	325 Electric Pumping Equipment	5.88%	175,000	242,450	3,966
16	328 Gas Engine Equipment	4.00%	-	-	-
17	Subtotal Pumping Plant		\$ 175,000	\$ 242,450	\$ 3,966
18	Water Treatment Plant				
19	330 Water Treatment Plant Land	0.00%	-	-	-
20	331 Water Trtmt. Struct. & Improv.	2.50%	-	-	-
21	332 Water Treatment Equipment	2.86%	-	-	-
22	Subtotal Water Trtmt. Plant		\$ -	\$ -	\$ -
23	Transmission & Distribution Plant				
24	340 Trans. and Dist. Land	0.00%	-	-	-
25	341 Transmission and Distribution Structure	3.33%	-	-	-
26	342 Storage Tanks	2.00%	-	-	-
27	343 Trans. & Dist. Mains	1.79%	-	-	-
28	344 Fire Sprinkler Taps	2.00%	-	-	-
29	345 Services	2.38%	-	-	-
30	346 Meters	4.55%	-	-	-
31	348 Hydrants	1.82%	-	-	-
32	Subtotal Trans. & Dist.		\$ -	\$ -	\$ -
33	General Plant				
34	389 General Plant Land	0.00%	-	-	-
35	390 General Plant Structures	2.50%	-	-	-
36	390.1 Leasehold Improvements	n/a	-	-	-
37	391 Office Furniture & Equipment	6.67%	-	-	-
38	393 Warehouse Equipment	5.00%	-	-	-
39	394 Tools, Shop & Garage Equip.	4.00%	-	-	-
40	395 Laboratory Equipment	5.00%	-	-	-
41	396 Power Operated Equipment	6.67%	-	-	-
42	397 Communication Equipment	6.67%	-	-	-
43	398 Miscellaneous Equipment	3.33%	-	-	-
44	Subtotal General Plant		\$ -	\$ -	\$ -
45	Total Utility Plant		\$ 175,000	\$ 242,450	\$ 67,450
46	Accumulated Depreciation (1/2-Year Convention)				\$ 1,983
47	Net Plant				\$ 65,467

<sup>1</sup>Updated costs provided in response to Staff data request BAB 8:1/RUCO data request 6.01.

**ARIZONA WATER COMPANY**  
Test Year Ended December 31, 2014  
Settlement Rate Base Adjustment No. 1 (continued)  
True-Up Post-Test Year Plant to Reflect Actual Expenditures for Projects  
Placed in Service as of Dec. 31, 2015, and Eliminate Blanket Projects

Line No.	Description	Pinal Valley (Continued)			Adjstm't to Depreciation Expense
		[A] Depreciation Rate	[B] Work Authorization 1-5299 As Filed	[C] Settlement <sup>1</sup> Increase / (Decrease)	
1	Intangible Plant				
2	301 Organization	0.00%	\$ -	\$ -	\$ -
3	302 Franchises	n/a	-	-	-
4	303 Other Intangibles	n/a	-	-	-
5	Subtotal Intangible Plant		\$ -	\$ -	\$ -
6	Source of Supply Plant				
7	310.1 Water Rights	0.00%	-	-	-
8	310.3 Other Source of Supply Land	0.00%	-	-	-
9	310.4 Wells - Other	n/a	-	-	-
10	314 Wells	3.13%	-	-	-
11	Subtotal Source of Sup. Plant		\$ -	\$ -	\$ -
12	Pumping Plant				
13	320 Pumping Plant Land	0.00%	-	-	-
14	321 Pumping Plant Struct. & Improv.	2.86%	100,000	(23,431)	(670)
15	325 Electric Pumping Equipment	5.88%	-	-	-
16	328 Gas Engine Equipment	4.00%	-	-	-
17	Subtotal Pumping Plant		\$ 100,000	\$ (23,431)	\$ (670)
18	Water Treatment Plant				
19	330 Water Treatment Plant Land	0.00%	-	-	-
20	331 Water Trtmt. Struct. & Improv.	2.50%	-	-	-
21	332 Water Treatment Equipment	2.86%	-	-	-
22	Subtotal Water Trtmt. Plant		\$ -	\$ -	\$ -
23	Transmission & Distribution Plant				
24	340 Trans. and Dist. Land	0.00%	-	-	-
25	341 Transmission and Distribution Structur	3.33%	-	-	-
26	342 Storage Tanks	2.00%	-	-	-
27	343 Trans. & Dist. Mains	1.79%	-	-	-
28	344 Fire Sprinkler Taps	2.00%	-	-	-
29	345 Services	2.38%	-	-	-
30	346 Meters	4.55%	-	-	-
31	348 Hydrants	1.82%	-	-	-
32	Subtotal Trans. & Dist.		\$ -	\$ -	\$ -
33	General Plant				
34	389 General Plant Land	0.00%	-	-	-
35	390 General Plant Structures	2.50%	-	-	-
36	390.1 Leasehold Improvements	n/a	-	-	-
37	391 Office Furniture & Equipment	6.67%	-	-	-
38	393 Warehouse Equipment	5.00%	-	-	-
39	394 Tools, Shop & Garage Equip.	4.00%	-	-	-
40	395 Laboratory Equipment	5.00%	-	-	-
41	396 Power Operated Equipment	6.67%	-	-	-
42	397 Communication Equipment	6.67%	-	-	-
43	398 Miscellaneous Equipment	3.33%	-	-	-
44	Subtotal General Plant		\$ -	\$ -	\$ -
45	Total Utility Plant		\$ 100,000	\$ (23,431)	\$ (670)
46	Accumulated Depreciation (1/2-Year Convention)		\$ 76,569	\$ (23,431)	\$ (335)
47	Net Plant		\$ -	\$ -	\$ (23,096)

<sup>1</sup>Updated costs provided in response to Staff data request BAB 8.1/RUCO data request 6.01.

Line No.	Description	Pinal Valley (Continued)			Adjstmt to Depreciation Expense
		[A] Depreciation Rate	[B] Work Authorization 1-5301 As Filed Settlement <sup>1</sup>	[C] Increase / (Decrease)	
1	Intangible Plant				
2	301 Organization	0.00%	\$ -	\$ -	\$ -
3	302 Franchises	n/a	-	-	-
4	303 Other Intangibles	n/a	-	-	-
5	Subtotal Intangible Plant		\$ -	\$ -	\$ -
6	Source of Supply Plant				
7	310.1 Water Rights	0.00%	-	-	-
8	310.3 Other Source of Supply Land	0.00%	-	-	-
9	310.4 Wells - Other	n/a	-	-	-
10	314 Wells	3.13%	-	-	-
11	Subtotal Source of Sup. Plant		\$ -	\$ -	\$ -
12	Pumping Plant				
13	320 Pumping Plant Land	0.00%	-	-	-
14	321 Pumping Plant Struct. & Improv.	2.86%	-	-	-
15	325 Electric Pumping Equipment	5.88%	-	-	-
16	328 Gas Engine Equipment	4.00%	-	-	-
17	Subtotal Pumping Plant		\$ -	\$ -	\$ -
18	Water Treatment Plant				
19	330 Water Treatment Plant Land	0.00%	-	-	-
20	331 Water Trtmt. Struct. & Improv.	2.50%	-	-	-
21	332 Water Treatment Equipment	2.86%	-	-	-
22	Subtotal Water Trtmt. Plant		\$ -	\$ -	\$ -
23	Transmission & Distribution Plant				
24	340 Trans. and Dist. Land	0.00%	-	-	-
25	341 Transmission and Distribution Structure	3.33%	-	-	-
26	342 Storage Tanks	2.00%	-	-	-
27	343 Trans. & Dist. Mains	1.79%	180,000	14,840	266
28	344 Fire Sprinkler Taps	2.00%	-	-	-
29	345 Services	2.38%	-	-	-
30	346 Meters	4.55%	-	-	-
31	348 Hydrants	1.82%	-	-	-
32	Subtotal Trans. & Dist.		\$ 180,000	\$ 14,840	\$ 266
33	General Plant				
34	369 General Plant Land	0.00%	-	-	-
35	390 General Plant Structures	2.50%	-	-	-
36	390.1 Leasehold Improvements	n/a	-	-	-
37	391 Office Furniture & Equipment	6.67%	-	-	-
38	393 Warehouse Equipment	5.00%	-	-	-
39	394 Tools, Shop & Garage Equip.	4.00%	-	-	-
40	395 Laboratory Equipment	5.00%	-	-	-
41	396 Power Operated Equipment	6.67%	-	-	-
42	397 Communication Equipment	6.67%	-	-	-
43	398 Miscellaneous Equipment	3.33%	-	-	-
44	Subtotal General Plant		\$ -	\$ -	\$ -
45	Total Utility Plant		\$ 180,000	\$ 14,840	\$ 266
46	Accumulated Depreciation (1/2-Year Convention)		\$ 194,840	\$ 14,840	\$ 133
47	Net Plant		\$ -	\$ -	\$ 14,707

<sup>1</sup>Updated costs provided in response to Staff data request BAB 8.1/RUCO data request 6.01.

Line No.	Description	Pinal Valley (Continued)				Adjstm't to Depreciation Expense
		(A) As Filed	(B) Settlement	(C) Increase / (Decrease)	(D)	
1	Intangible Plant					
2	301 Organization	0.00%	\$ -	\$ -	\$ -	
3	302 Franchises	n/a	-	-	-	
4	303 Other Intangibles	n/a	-	-	-	
5	Subtotal Intangible Plant		\$ -	\$ -	\$ -	
6	Source of Supply Plant					
7	310.1 Water Rights	0.00%	-	-	-	
8	310.3 Other Source of Supply Land	0.00%	-	-	-	
9	310.4 Wells - Other	n/a	-	-	-	
10	314 Wells	3.13%	-	-	-	
11	Subtotal Source of Sup. Plant		\$ -	\$ -	\$ -	
12	Pumping Plant					
13	320 Pumping Plant Land	0.00%	-	-	-	
14	321 Pumping Plant Struct. & Improv.	2.86%	-	-	-	
15	325 Electric Pumping Equipment	5.88%	-	-	-	
16	328 Gas Engine Equipment	4.00%	-	-	-	
17	Subtotal Pumping Plant		\$ -	\$ -	\$ -	
18	Water Treatment Plant					
19	330 Water Treatment Plant Land	0.00%	-	-	-	
20	331 Water Trtmt. Struct. & Improv.	2.50%	-	-	-	
21	332 Water Treatment Equipment	2.86%	1,500,000	(1,500,000)	(42,900)	
22	Subtotal Water Trtmt. Plant		\$ 1,500,000	\$ (1,500,000)	\$ (42,900)	
23	Transmission & Distribution Plant					
24	340 Trans. and Dist. Land	0.00%	-	-	-	
25	341 Transmission and Distribution Structur	3.33%	-	-	-	
26	342 Storage Tanks	2.00%	-	-	-	
27	343 Trans. & Dist. Mains	1.79%	-	-	-	
28	344 Fire Sprinkler Taps	2.00%	-	-	-	
29	345 Services	2.38%	-	-	-	
30	346 Meters	4.55%	-	-	-	
31	348 Hydrants	1.82%	-	-	-	
32	Subtotal Trans. & Dist. General Plant		\$ -	\$ -	\$ -	
33	General Plant					
34	389 General Plant Land	0.00%	-	-	-	
35	390 General Plant Structures	2.50%	-	-	-	
36	390.1 Leasehold Improvements	n/a	-	-	-	
37	391 Office Furniture & Equipment	6.67%	-	-	-	
38	393 Warehouse Equipment	5.00%	-	-	-	
39	394 Tools, Shop & Garage Equip.	4.00%	-	-	-	
40	395 Laboratory Equipment	5.00%	-	-	-	
41	396 Power Operated Equipment	6.67%	-	-	-	
42	397 Communication Equipment	6.67%	-	-	-	
43	398 Miscellaneous Equipment	3.33%	-	-	-	
44	Subtotal General Plant		\$ -	\$ -	\$ -	
45	Total Utility Plant		\$ 1,500,000	\$ (1,500,000)	\$ (42,900)	
46	Accumulated Depreciation (1/2-Year Convention)				\$ (21,450)	
47	Net Plant				\$ (1,478,550)	

\*Updated costs provided in response to Staff data request BAB 8.1/RUCO data request 6.01.

Line No.	Description	Pinal Valley (Continued)				Adjustmt to Depreciation Expense
		(A)	(B)	(C)	(D)	
		Depreciation Rate	As Filed	Settlement <sup>1</sup>	Increase / (Decrease)	
1	Intangible Plant					
2	301 Organization	0.00%	\$ -	\$ -	\$ -	\$ -
3	302 Franchises	n/a	-	-	-	-
4	303 Other Intangibles	n/a	-	-	-	-
5	Subtotal Intangible Plant		\$ -	\$ -	\$ -	\$ -
6	Source of Supply Plant					
7	310.1 Water Rights	0.00%	-	-	-	-
8	310.3 Other Source of Supply Land	0.00%	-	-	-	-
9	310.4 Wells - Other	n/a	-	-	-	-
10	314 Wells	3.13%	-	-	-	-
11	Subtotal Source of Sup. Plant		\$ -	\$ -	\$ -	\$ -
12	Pumping Plant					
13	320 Pumping Plant Land	0.00%	-	-	-	-
14	321 Pumping Plant Struct. & Improv.	2.86%	-	-	-	-
15	325 Electric Pumping Equipment	5.88%	-	-	-	-
16	328 Gas Engine Equipment	4.00%	-	-	-	-
17	Subtotal Pumping Plant		\$ -	\$ -	\$ -	\$ -
18	Water Treatment Plant					
19	330 Water Treatment Plant Land	0.00%	-	-	-	-
20	331 Water Trmt. Struct. & Improv.	2.50%	-	-	-	-
21	332 Water Treatment Equipment	2.86%	174,000	173,112	(888)	(25)
22	Subtotal Water Trmt. Plant		\$ 174,000	\$ 173,112	\$ (888)	\$ (25)
23	Transmission & Distribution Plant					
24	340 Trans. and Dist. Land	0.00%	-	-	-	-
25	341 Transmission and Distribution Structur	3.33%	-	-	-	-
26	342 Storage Tanks	2.00%	-	-	-	-
27	343 Trans. & Dist. Mains	1.79%	-	-	-	-
28	344 Fire Sprinkler Taps	2.00%	-	-	-	-
29	345 Services	2.38%	-	-	-	-
30	346 Meters	4.55%	-	-	-	-
31	348 Hydrants	1.82%	-	-	-	-
32	Subtotal Trans. & Dist.		\$ -	\$ -	\$ -	\$ -
33	General Plant					
34	389 General Plant Land	0.00%	-	-	-	-
35	390 General Plant Structures	2.50%	-	-	-	-
36	390.1 Leasehold Improvements	n/a	-	-	-	-
37	391 Office Furniture & Equipment	6.67%	-	-	-	-
38	393 Warehouse Equipment	5.00%	-	-	-	-
39	394 Tools, Shop & Garage Equip.	4.00%	-	-	-	-
40	395 Laboratory Equipment	5.00%	-	-	-	-
41	396 Power Operated Equipment	6.67%	-	-	-	-
42	397 Communication Equipment	6.67%	-	-	-	-
43	398 Miscellaneous Equipment	3.33%	-	-	-	-
44	Subtotal General Plant		\$ -	\$ -	\$ -	\$ -
45	Total Utility Plant		\$ 174,000	\$ 173,112	\$ (888)	\$ (25)
46	Accumulated Depreciation (112-Year Convention)					
47	Net Plant					
48						
49						
50						
51						
52						
53						
54						
55						

<sup>1</sup>Updated costs provided in response to Staff data request BAB 8.1/RUCO data request 6.01.

Line No.	Description	Pinat Valley (Continued)			Adjstmt' to Depreciation Expense
		(A) As Filed	(B) Settlement	(C) Increase / (Decrease)	
1	Intangible Plant				
2	301 Organization	0.00%	\$ -	\$ -	
3	302 Franchises	n/a	-	-	
4	303 Other Intangibles	n/a	-	-	
5	Subtotal Intangible Plant		\$ -	\$ -	
6	Source of Supply Plant				
7	310.1 Water Rights	0.00%	-	-	
8	310.3 Other Source of Supply Land	0.00%	-	-	
9	310.4 Wells - Other	n/a	-	-	
10	314 Wells	3.13%	-	-	
11	Subtotal Source of Sup. Plant		\$ -	\$ -	
12	Pumping Plant				
13	320 Pumping Plant Land	0.00%	-	-	
14	321 Pumping Plant Struct. & Improv.	2.86%	-	-	
15	325 Electric Pumping Equipment	5.88%	-	-	
16	328 Gas Engine Equipment	4.00%	-	-	
17	Subtotal Pumping Plant		\$ -	\$ -	
18	Water Treatment Plant				
19	330 Water Treatment Plant Land	0.00%	-	-	
20	331 Water Trmt. Struct. & Improv.	2.50%	-	-	
21	332 Water Treatment Equipment	2.86%	80,000	(80,000)	
22	Subtotal Water Trmt. Plant		\$ 80,000	\$ (80,000)	
23	Transmission & Distribution Plant				
24	340 Trans. and Dist. Land	0.00%	-	-	
25	341 Transmission and Distribution Structur.	3.33%	-	-	
26	342 Storage Tanks	2.00%	-	-	
27	343 Trans. & Dist. Mains	1.79%	-	-	
28	344 Fire Sprinkler Taps	2.00%	-	-	
29	345 Services	2.38%	-	-	
30	346 Meters	4.55%	-	-	
31	348 Hydrants	1.82%	-	-	
32	Subtotal Trans. & Dist. General Plant		\$ -	\$ -	
33	General Plant				
34	389 General Plant Land	0.00%	-	-	
35	390 General Plant Structures	2.50%	-	-	
36	390.1 Leasehold Improvements	n/a	-	-	
37	391 Office Furniture & Equipment	6.67%	-	-	
38	393 Warehouse Equipment	5.00%	-	-	
39	394 Tools, Shop & Garage Equip.	4.00%	-	-	
40	395 Laboratory Equipment	5.00%	-	-	
41	396 Power Operated Equipment	6.67%	-	-	
42	397 Communication Equipment	6.67%	-	-	
43	398 Miscellaneous Equipment	3.33%	-	-	
44	Subtotal General Plant		\$ -	\$ -	
45	Total Utility Plant		\$ 80,000	\$ (80,000)	
46	Accumulated Depreciation (1/2-Year Convention)				
47					\$ (2,288)
48	Net Plant				\$ (1,144)
49					\$ (78,856)
50					
51					
52					
53					
54					
55					

\*Updated costs provided in response to Staff data request BAB 8.1/RUCO data request 6.01.

Line No.	Description	Pinal Valley (Continued)			Adjstmt' to Depreciation Expense
		(A)	(B)	(C)	
		Depreciation Rate	Work Authorization 1-5304	Increase / Decrease	
			As Filed	Settlement <sup>1</sup>	
1	Intangible Plant				
2	301 Organization	0.00%	\$ -	\$ -	\$ -
3	302 Franchises	n/a	-	-	-
4	303 Other Intangibles	n/a	-	-	-
5	Subtotal Intangible Plant		\$ -	\$ -	\$ -
6	Source of Supply Plant				
7	310.1 Water Rights	0.00%	-	-	-
8	310.3 Other Source of Supply Land	0.00%	-	-	-
9	310.4 Wells - Other	n/a	-	-	-
10	314 Wells	3.13%	-	-	-
11	Subtotal Source of Sup. Plant		\$ -	\$ -	\$ -
12	Pumping Plant				
13	320 Pumping Plant Land	0.00%	-	-	-
14	321 Pumping Plant Struct. & Improv.	2.86%	-	-	-
15	325 Electric Pumping Equipment	5.88%	175,000	107,751	(67,249)
16	328 Gas Engine Equipment	4.00%	-	-	-
17	Subtotal Pumping Plant		\$ 175,000	\$ 107,751	\$ (67,249)
18	Water Treatment Plant				
19	330 Water Treatment Plant Land	0.00%	-	-	-
20	331 Water Trtmt. Struct. & Improv.	2.50%	-	-	-
21	332 Water Treatment Equipment	2.86%	-	-	-
22	Subtotal Water Trtmt. Plant		\$ -	\$ -	\$ -
23	Transmission & Distribution Plant				
24	340 Trans. and Dist. Land	0.00%	-	-	-
25	341 Transmission and Distribution Structur.	3.33%	-	-	-
26	342 Storage Tanks	2.00%	-	-	-
27	343 Trans. & Dist. Mains	1.79%	-	-	-
28	344 Fire Sprinkler Taps	2.00%	-	-	-
29	345 Services	2.38%	-	-	-
30	346 Meters	4.55%	-	-	-
31	348 Hydrants	1.82%	-	-	-
32	Subtotal Trans. & Dist.		\$ -	\$ -	\$ -
33	General Plant				
34	389 General Plant Land	0.00%	-	-	-
35	390 General Plant Structures	2.50%	-	-	-
36	390.1 Leasehold Improvements	n/a	-	-	-
37	391 Office Furniture & Equipment	6.67%	-	-	-
38	393 Warehouse Equipment	5.00%	-	-	-
39	394 Tools, Shop & Garage Equip.	4.00%	-	-	-
40	395 Laboratory Equipment	5.00%	-	-	-
41	396 Power Operated Equipment	6.67%	-	-	-
42	397 Communication Equipment	6.67%	-	-	-
43	398 Miscellaneous Equipment	3.33%	-	-	-
44	Subtotal General Plant		\$ -	\$ -	\$ -
45	Total Utility Plant		\$ 175,000	\$ 107,751	\$ (67,249)
46	Accumulated Depreciation (1/2-Year Convention)				
47					
48					
49					
50	Net Plant				
51					
52					
53					
54					
55					

<sup>1</sup>Updated costs provided in response to Staff data request BAB 8.1/RUCO data request 6.01.

Line No.	Description	Pinal Valley (Continued)			
		(A)	(B)	(C)	(D)
		Depreciation Rate	As Filed	Work Authorization Settlement <sup>1</sup>	Increase / Decrease
1	Intangible Plant				
2	301 Organization	0.00%	\$ -	\$ -	\$ -
3	302 Franchises	n/a	-	-	-
4	303 Other Intangibles	n/a	-	-	-
5	Subtotal Intangible Plant		\$ -	\$ -	\$ -
6	Source of Supply Plant				
7	310.1 Water Rights	0.00%	-	-	-
8	310.3 Other Source of Supply Land	0.00%	-	-	-
9	310.4 Wells - Other	n/a	-	-	-
10	314 Wells	3.13%	-	-	-
11	Subtotal Source of Sup. Plant		\$ -	\$ -	\$ -
12	Pumping Plant				
13	320 Pumping Plant Land	0.00%	-	-	-
14	321 Pumping Plant Struct. & Improv.	2.86%	-	-	-
15	325 Electric Pumping Equipment	5.88%	43,000	40,760	(2,240)
16	328 Gas Engine Equipment	4.00%	-	-	-
17	Subtotal Pumping Plant		\$ 43,000	\$ 40,760	\$ (2,240)
18	Water Treatment Plant				
19	330 Water Treatment Plant Land	0.00%	-	-	-
20	331 Water Trmt. Struct. & Improv.	2.50%	-	-	-
21	332 Water Treatment Equipment	2.86%	-	-	-
22	Subtotal Water Trmt. Plant		\$ -	\$ -	\$ -
23	Transmission & Distribution Plant				
24	340 Trans. and Dist. Land	0.00%	-	-	-
25	341 Transmission and Distribution Structur	3.33%	-	-	-
26	342 Storage Tanks	2.00%	-	-	-
27	343 Trans. & Dist. Mains	1.79%	-	-	-
28	344 Fire Sprinkler Taps	2.00%	-	-	-
29	345 Services	2.38%	-	-	-
30	346 Meters	4.55%	-	-	-
31	348 Hydrants	1.82%	-	-	-
32	Subtotal Trans. & Dist.		\$ -	\$ -	\$ -
33	General Plant				
34	389 General Plant Land	0.00%	-	-	-
35	390 General Plant Structures	2.50%	-	-	-
36	390.1 Leasehold Improvements	n/a	-	-	-
37	391 Office Furniture & Equipment	6.67%	-	-	-
38	393 Warehouse Equipment	5.00%	-	-	-
39	394 Tools, Shop & Garage Equip.	4.00%	-	-	-
40	395 Laboratory Equipment	5.00%	-	-	-
41	396 Power Operated Equipment	6.67%	-	-	-
42	397 Communication Equipment	6.67%	-	-	-
43	398 Miscellaneous Equipment	3.33%	-	-	-
44	Subtotal General Plant		\$ -	\$ -	\$ -
45	Total Utility Plant		\$ 43,000	\$ 40,760	\$ (2,240)
46	Accumulated Depreciation (12-Year Convention)				
47					
48					
49					
50	Net Plant				
51					
52					
53					
54					
55					

<sup>1</sup>Updated costs provided in response to Staff data request BAB 8.1/RUCO data request 6.01.

**ARIZONA WATER COMPANY**  
Test Year Ended December 31, 2014  
Settlement Rate Base Adjustment No. 1 (continued)  
True-Up Post-Test Year Plant to Reflect Actual Expenditures for Projects  
Placed in Service as of Dec. 31, 2015, and Eliminate Blanket Projects

Line No.	Description	[A]		[B]		[C]		[D]
		Depreciation Rate	As Filed	Work Authorization 1-5307 Settlement <sup>1</sup>	Increase / (Decrease)	Adjustmt to Depreciation Expense		
1	Intangible Plant							
2	301 Organization	0.00%	\$ -	\$ -				\$ -
3	302 Franchises	n/a	-	-				-
4	303 Other Intangibles	n/a	-	-				-
5	Subtotal Intangible Plant		\$ -	\$ -				\$ -
6	Source of Supply Plant							
7	310.1 Water Rights	0.00%	-	-				-
8	310.3 Other Source of Supply Land	0.00%	-	-				-
9	310.4 Wells - Other	n/a	-	-				-
10	314 Wells	3.13%	-	-				-
11	Subtotal Source of Sup. Plant		\$ -	\$ -				\$ -
12	Pumping Plant							
13	320 Pumping Plant Land	0.00%	-	-				-
14	321 Pumping Plant Struct. & Improv.	2.86%	-	-				-
15	325 Electric Pumping Equipment	5.88%	-	-				-
16	328 Gas Engine Equipment	4.00%	-	-				-
17	Subtotal Pumping Plant		\$ -	\$ -				\$ -
18	Water Treatment Plant							
19	330 Water Treatment Plant Land	0.00%	-	-				-
20	331 Water Trtmt. Struct. & Improv.	2.50%	-	-				-
21	332 Water Treatment Equipment	2.86%	40,000	42,163	2,163			62
22	Subtotal Water Trtmt. Plant		\$ 40,000	\$ 42,163	\$ 2,163			\$ 62
23	Transmission & Distribution Plant							
24	340 Trans. and Dist. Land	0.00%	-	-				-
25	341 Transmission and Distribution Structur	3.33%	-	-				-
26	342 Storage Tanks	2.00%	-	-				-
27	343 Trans. & Dist. Mains	1.79%	-	-				-
28	344 Fire Sprinkler Taps	2.00%	-	-				-
29	345 Services	2.38%	-	-				-
30	346 Meters	4.55%	-	-				-
31	348 Hydrants	1.82%	-	-				-
32	Subtotal Trans. & Dist. General Plant		\$ -	\$ -				\$ -
33	General Plant							
34	389 General Plant Land	0.00%	-	-				-
35	390 General Plant Structures	2.50%	-	-				-
36	390.1 Leasehold Improvements	n/a	-	-				-
37	391 Office Furniture & Equipment	6.67%	-	-				-
38	393 Warehouse Equipment	5.00%	-	-				-
39	394 Tools, Shop & Garage Equip.	4.00%	-	-				-
40	395 Laboratory Equipment	5.00%	-	-				-
41	396 Power Operated Equipment	6.67%	-	-				-
42	397 Communication Equipment	6.67%	-	-				-
43	398 Miscellaneous Equipment	3.33%	-	-				-
44	Subtotal General Plant		\$ -	\$ -				\$ -
45	Total Utility Plant		\$ 40,000	\$ 42,163	\$ 2,163			\$ 62
46	Accumulated Depreciation (1/2-Year Convention)							
47	Net Plant		\$ -	\$ 31				\$ 31
48								
49								
50								
51								
52								
53								
54								
55								

<sup>1</sup>Updated costs provided in response to Staff data request BAB 8.1/RUCO data request 6.01.

**ARIZONA WATER COMPANY**  
Test Year Ended December 31, 2014  
Settlement Rate Base Adjustment No. 1 (continued)  
True-Up Post-Test Year Plant to Reflect Actual Expenditures for Projects  
Placed in Service as of Dec. 31, 2015, and Eliminate Blanket Projects

Line No.	Description	Pinal Valley (Continued)				Adjstm't to Depreciation Expense
		[A] As Filed	[B] Settlement <sup>1</sup>	[C] Increase / (Decrease)	[D]	
		Depreciation Rate				
		Work Authorization 1-5168				
1	Intangible Plant					
2	301 Organization	0.00%	\$ -	\$ -	\$ -	
3	302 Franchises	n/a	-	-	-	
4	303 Other Intangibles	n/a	-	-	-	
5	Subtotal Intangible Plant		\$ -	\$ -	\$ -	
6	Source of Supply Plant					
7	310.1 Water Rights	0.00%	-	-	-	
8	310.3 Other Source of Supply Land	0.00%	-	-	-	
9	310.4 Wells - Other	n/a	-	-	-	
10	314 Wells	3.13%	-	-	-	
11	Subtotal Source of Sup. Plant		\$ -	\$ -	\$ -	
12	Pumping Plant					
13	320 Pumping Plant Land	0.00%	-	-	-	
14	321 Pumping Plant Struct. & Improv.	2.86%	-	-	-	
15	325 Electric Pumping Equipment	5.88%	-	-	-	
16	328 Gas Engine Equipment	4.00%	-	-	-	
17	Subtotal Pumping Plant		\$ -	\$ -	\$ -	
18	Water Treatment Plant					
19	330 Water Treatment Plant Land	0.00%	-	-	-	
20	331 Water Trmt. Struct. & Improv.	2.50%	-	-	-	
21	332 Water Treatment Equipment	2.86%	-	-	-	
22	Subtotal Water Trmt. Plant		\$ -	\$ -	\$ -	
23	Transmission & Distribution Plant					
24	340 Trans. and Dist. Land	0.00%	-	-	-	
25	341 Transmission and Distribution Structure	3.33%	-	-	-	
26	342 Storage Tanks	2.00%	-	-	-	
27	343 Trans. & Dist. Mains	1.79%	110,000	5,552	99	
28	344 Fire Sprinkler Taps	2.00%	-	-	-	
29	345 Services	2.38%	-	-	-	
30	346 Meters	4.55%	-	-	-	
31	348 Hydrants	1.82%	-	-	-	
32	Subtotal Trans. & Dist.		\$ 110,000	\$ 5,552	\$ 99	
33	General Plant					
34	389 General Plant Land	0.00%	-	-	-	
35	390 General Plant Structures	2.50%	-	-	-	
36	390.1 Leasehold Improvements	n/a	-	-	-	
37	391 Office Furniture & Equipment	6.67%	-	-	-	
38	393 Warehouse Equipment	5.00%	-	-	-	
39	394 Tools, Shop & Garage Equip.	4.00%	-	-	-	
40	395 Laboratory Equipment	5.00%	-	-	-	
41	396 Power Operated Equipment	6.67%	-	-	-	
42	397 Communication Equipment	6.67%	-	-	-	
43	398 Miscellaneous Equipment	3.33%	-	-	-	
44	Subtotal General Plant		\$ -	\$ -	\$ -	
45						
46	Total Utility Plant		\$ 110,000	\$ 5,552	\$ 99	
47	Accumulated Depreciation (112-Year Convention)					
48						
49						
50	Net Plant				\$ 50	
51						
52						
53						
54						
55					\$ 5,502	

<sup>1</sup>Updated costs provided in response to Staff data request BAB 8 1/RUCO data request 6.01.

Phal Valley (Continued)

Line No.	Description	[A]		[B]		[C]		[D]
		Depreciation Rate	As Filed	Work Authorization 1-5345 Settlement <sup>1</sup>	Increase / (Decrease)	Adjstmt' to Depreciation Expense		
1	Intangible Plant							
2	301 Organization	0.00%	\$ -	\$ -		\$ -		
3	302 Franchises	n/a	-	-		-		
4	303 Other Intangibles	n/a	-	-		-		
5	Subtotal Intangible Plant		\$ -	\$ -		\$ -		
6	Source of Supply Plant							
7	310.1 Water Rights	0.00%	-	-		-		
8	310.3 Other Source of Supply Land	0.00%	-	-		-		
9	310.4 Wells - Other	n/a	-	-		-		
10	314 Wells	3.13%	-	-		-		
11	Subtotal Source of Sup. Plant		\$ -	\$ -		\$ -		
12	Pumping Plant							
13	320 Pumping Plant Land	0.00%	-	-		-		
14	321 Pumping Plant Struct. & Improv.	2.86%	-	-		-		
15	325 Electric Pumping Equipment	5.88%	-	-		-		
16	328 Gas Engine Equipment	4.00%	-	-		-		
17	Subtotal Pumping Plant		\$ -	\$ -		\$ -		
18	Water Treatment Plant							
19	330 Water Treatment Plant Land	0.00%	-	-		-		
20	331 Water Trtmt. Struct. & Improv.	2.50%	-	-		-		
21	332 Water Treatment Equipment	2.86%	-	-		-		
22	Subtotal Water Trtmt. Plant		\$ -	\$ -		\$ -		
23	Transmission & Distribution Plant							
24	340 Trans. and Dist. Land	0.00%	-	-		-		
25	341 Transmission and Distribution Structur	3.33%	-	-		-		
26	342 Storage Tanks	2.00%	-	-		-		
27	343 Trans. & Dist. Mains	1.79%	62,000	56,452		(5,548)	(99)	
28	344 Fire Sprinkler Taps	2.00%	-	-		-		
29	345 Services	2.38%	-	-		-		
30	346 Meters	4.55%	-	-		-		
31	348 Hydrants	1.82%	-	-		-		
32	Subtotal Trans. & Dist.		\$ 62,000	\$ 56,452		\$ (5,548)	(99)	
33	General Plant							
34	389 General Plant Land	0.00%	-	-		-		
35	390 General Plant Structures	2.50%	-	-		-		
36	390.1 Leasehold Improvements	n/a	-	-		-		
37	391 Office Furniture & Equipment	6.67%	-	-		-		
38	393 Warehouse Equipment	5.00%	-	-		-		
39	394 Tools, Shop & Garage Equip.	4.00%	-	-		-		
40	395 Laboratory Equipment	5.00%	-	-		-		
41	396 Power Operated Equipment	6.67%	-	-		-		
42	397 Communication Equipment	6.67%	-	-		-		
43	398 Miscellaneous Equipment	3.33%	-	-		-		
44	Subtotal General Plant		\$ -	\$ -		\$ -		
45	Total Utility Plant		\$ 62,000	\$ 56,452		\$ (5,548)	(99)	
46	Accumulated Depreciation (12-Year Convention)						(50)	
47	Net Plant						(5,498)	

<sup>1</sup>Updated costs provided in response to Staff data request BAB 8.1/RUCO data request 6.01.

Line No.	Description	Pinjal Valley (Continued)			Adjstm't to Depreciation Expense
		(A) As Filed	(B) Settlement <sup>1</sup>	(C) Increase / (Decrease)	
1	Intangible Plant				
2	301 Organization	0.00%	\$ -	\$ -	\$ -
3	302 Franchises	n/a	-	-	-
4	303 Other Intangibles	n/a	-	-	-
5	Subtotal Intangible Plant		\$ -	\$ -	\$ -
6	Source of Supply Plant				
7	310.1 Water Rights	0.00%	-	-	-
8	310.3 Other Source of Supply Land	0.00%	-	-	-
9	310.4 Wells - Other	n/a	-	-	-
10	314 Wells	3.13%	-	-	-
11	Subtotal Source of Sup. Plant		\$ -	\$ -	\$ -
12	Pumping Plant				
13	320 Pumping Plant Land	0.00%	-	-	-
14	321 Pumping Plant Struct. & Improv.	2.86%	-	-	-
15	325 Electric Pumping Equipment	5.88%	-	-	-
16	328 Gas Engine Equipment	4.00%	-	-	-
17	Subtotal Pumping Plant		\$ -	\$ -	\$ -
18	Water Treatment Plant				
19	330 Water Treatment Plant Land	0.00%	-	-	-
20	331 Water Trmt. Struct. & Improv.	2.50%	-	-	-
21	332 Water Treatment Equipment	2.86%	-	-	-
22	Subtotal Water Trmt. Plant		\$ -	\$ -	\$ -
23	Transmission & Distribution Plant				
24	340 Trans. and Dist. Land	0.00%	-	-	-
25	341 Transmission and Distribution Structur	3.33%	-	-	-
26	342 Storage Tanks	2.00%	-	-	-
27	343 Trans. & Dist. Mains	1.79%	20,780	(3,220)	(58)
28	344 Fire Sprinkler Taps	2.00%	-	-	-
29	345 Services	2.38%	-	-	-
30	346 Meters	4.55%	-	-	-
31	348 Hydrants	1.82%	-	-	-
32	Subtotal Trans. & Dist. General Plant		\$ 24,000	\$ (3,220)	\$ (58)
33	General Plant				
34	389 General Plant Land	0.00%	-	-	-
35	390 General Plant Structures	2.50%	-	-	-
36	390.1 Leasehold Improvements	n/a	-	-	-
37	391 Office Furniture & Equipment	6.67%	-	-	-
38	393 Warehouse Equipment	5.00%	-	-	-
39	384 Tools, Shop & Garage Equip.	4.00%	-	-	-
40	395 Laboratory Equipment	5.00%	-	-	-
41	396 Power Operated Equipment	6.67%	-	-	-
42	397 Communication Equipment	6.67%	-	-	-
43	398 Miscellaneous Equipment	3.33%	-	-	-
44	Subtotal General Plant		\$ -	\$ -	\$ -
45	Total Utility Plant		\$ 24,000	\$ (3,220)	\$ (58)
46	Accumulated Depreciation (1/2-Year Convention)		\$ 20,780	\$ -	\$ (29)
47	Net Plant		\$ -	\$ -	\$ (3,191)

<sup>1</sup>Updated costs provided in response to Staff data request BAB 8.1/RUCO data request 6.01.

Pinjal Valley (Continued)

Line No.	Description	[A]		[B]		[C]		[D]
		Depreciation Rate	AS Filed	Work Authorization Settlement	Increase / Decrease	Adjstm't to Depreciation Expense		
1	Intangible Plant							
2	301 Organization	0.00%	\$ -	\$ -	\$ -	\$ -		
3	302 Franchises	n/a	-	-	-	-		
4	303 Other Intangibles	n/a	-	-	-	-		
5	Subtotal Intangible Plant		\$ -	\$ -	\$ -	\$ -		
6	Source of Supply Plant							
7	310.1 Water Rights	0.00%	-	-	-	-		
8	310.3 Other Source of Supply Land	0.00%	-	-	-	-		
9	310.4 Wells - Other	n/a	-	-	-	-		
10	314 Wells	3.13%	-	-	-	-		
11	Subtotal Source of Sup. Plant		\$ -	\$ -	\$ -	\$ -		
12	Pumping Plant							
13	320 Pumping Plant Land	0.00%	-	-	-	-		
14	321 Pumping Plant Struct. & Improv.	2.86%	-	-	-	-		
15	325 Electric Pumping Equipment	5.88%	-	-	-	-		
16	328 Gas Engine Equipment	4.00%	-	-	-	-		
17	Subtotal Pumping Plant		\$ -	\$ -	\$ -	\$ -		
18	Water Treatment Plant							
19	330 Water Treatment Plant Land	0.00%	-	-	-	-		
20	331 Water Trtmt. Struct. & Improv.	2.50%	-	-	-	-		
21	332 Water Treatment Equipment	2.86%	-	-	-	-		
22	Subtotal Water Trtmt. Plant		\$ -	\$ -	\$ -	\$ -		
23	Transmission & Distribution Plant							
24	340 Trans. and Dist. Land	0.00%	-	-	-	-		
25	341 Transmission and Distribution Structur.	3.33%	-	-	-	-		
26	342 Storage Tanks	2.00%	-	-	-	-		
27	343 Trans. & Dist. Mains	1.79%	300,000	299,926	(74)	(1)		
28	344 Fire Sprinkler Taps	2.00%	-	-	-	-		
29	345 Services	2.38%	-	-	-	-		
30	346 Meters	4.55%	-	-	-	-		
31	348 Hydrants	1.82%	-	-	-	-		
32	Subtotal Trans. & Dist.		\$ 300,000	\$ 299,926	\$ (74)	\$ (1)		
33	General Plant							
34	389 General Plant Land	0.00%	-	-	-	-		
35	390 General Plant Structures	2.50%	-	-	-	-		
36	390.1 Leasehold Improvements	n/a	-	-	-	-		
37	391 Office Furniture & Equipment	6.67%	-	-	-	-		
38	393 Warehouse Equipment	5.00%	-	-	-	-		
39	394 Tools, Shop & Garage Equip.	4.00%	-	-	-	-		
40	395 Laboratory Equipment	5.00%	-	-	-	-		
41	396 Power Operated Equipment	6.67%	-	-	-	-		
42	397 Communication Equipment	6.67%	-	-	-	-		
43	398 Miscellaneous Equipment	3.33%	-	-	-	-		
44	Subtotal General Plant		\$ -	\$ -	\$ -	\$ -		
45	Total Utility Plant		\$ 300,000	\$ 299,926	\$ (74)	\$ (1)		
46	Accumulated Depreciation (1/2-Year Convention)							
47	Net Plant							
48								
49								
50								
51								
52								
53								
54								
55								

\*Updated costs provided in response to Staff data request BAB 8.1/RUCO data request 6.01.

Pinai Valley (Continued)

Line No.	Description	[A]		[B]		[C]		[D]
		Depreciation Rate	As Filed	Work Authorization 1-5339 Settlement <sup>1</sup>	Increase / (Decrease)	Adjustmt' to Depreciation Expense		
1	Intangible Plant							
2	301 Organization	0.00%	\$ -	\$ -	\$ -	\$ -		\$ -
3	302 Franchises	n/a	-	-	-	-		-
4	303 Other Intangibles	n/a	-	-	-	-		-
5	Subtotal Intangible Plant		\$ -	\$ -	\$ -	\$ -		\$ -
6	Source of Supply Plant							
7	310.1 Water Rights	0.00%	-	-	-	-		-
8	310.3 Other Source of Supply Land	0.00%	-	-	-	-		-
9	310.4 Wells - Other	n/a	-	-	-	-		-
10	314 Wells	3.13%	-	-	-	-		-
11	Subtotal Source of Sup. Plant		\$ -	\$ -	\$ -	\$ -		\$ -
12	Pumping Plant							
13	320 Pumping Plant Land	0.00%	-	-	-	-		-
14	321 Pumping Plant Struct. & Improv.	2.86%	-	-	-	-		-
15	325 Electric Pumping Equipment	5.88%	-	-	-	-		-
16	328 Gas Engine Equipment	4.00%	-	-	-	-		-
17	Subtotal Pumping Plant		\$ -	\$ -	\$ -	\$ -		\$ -
18	Water Treatment Plant							
19	330 Water Treatment Plant Land	0.00%	-	-	-	-		-
20	331 Water Trtmt. Struct. & Improv.	2.50%	-	-	-	-		-
21	332 Water Treatment Equipment	2.86%	-	-	-	-		-
22	Subtotal Water Trtmt. Plant		\$ -	\$ -	\$ -	\$ -		\$ -
23	Transmission & Distribution Plant							
24	340 Trans. and Dist. Land	0.00%	-	-	-	-		-
25	341 Transmission and Distribution Structur	3.33%	-	-	-	-		-
26	342 Storage Tanks	2.00%	-	-	-	-		-
27	343 Trans. & Dist. Mains	1.79%	-	-	-	-		-
28	344 Fire Sprinkler Taps	2.00%	-	-	-	-		-
29	345 Services	2.38%	62,000	57,381	(4,619)	(4,619)		(110)
30	346 Meters	4.55%	-	-	-	-		-
31	348 Hydrants	1.82%	-	-	-	-		-
32	Subtotal Trans. & Dist.		\$ 62,000	\$ 57,381	\$ (4,619)	\$ (4,619)		\$ (110)
33	General Plant							
34	389 General Plant Land	0.00%	-	-	-	-		-
35	390 General Plant Structures	2.50%	-	-	-	-		-
36	390.1 Leasehold Improvements	n/a	-	-	-	-		-
37	391 Office Furniture & Equipment	6.67%	-	-	-	-		-
38	393 Warehouse Equipment	5.00%	-	-	-	-		-
39	394 Tools, Shop & Garage Equip.	4.00%	-	-	-	-		-
40	395 Laboratory Equipment	5.00%	-	-	-	-		-
41	396 Power Operated Equipment	6.67%	-	-	-	-		-
42	397 Communication Equipment	6.67%	-	-	-	-		-
43	398 Miscellaneous Equipment	3.33%	-	-	-	-		-
44	Subtotal General Plant		\$ -	\$ -	\$ -	\$ -		\$ -
45	Total Utility Plant		\$ 62,000	\$ 57,381	\$ (4,619)	\$ (4,619)		\$ (110)
46	Accumulated Depreciation (12-Year Convention)							\$ (55)
47	Net Plant							\$ (4,564)

<sup>1</sup>Updated costs provided in response to Staff data request BAB 8.1/RUCO data request 6.01.

**ARIZONA WATER COMPANY**  
Test Year Ended December 31, 2014  
Settlement Rate Base Adjustment No. 1 (continued)  
True-Up Post-Test Year Plant to Reflect Actual Expenditures for Projects  
Placed in Service as of Dec. 31, 2015, and Eliminate Blanket Projects

Line No.	Description	Pinhal Valley (Continued)			Adjustm't to Depreciation Expense
		(A)	(B)	(C)	
	Depreciation Rate	AS Filed	Settlement <sup>1</sup>	Increase / (Decrease)	
1	Intangible Plant				
2	301 Organization	0.00%	\$ -	\$ -	\$ -
3	302 Franchises	n/a	-	-	-
4	303 Other Intangibles	n/a	-	-	-
5	Subtotal Intangible Plant		\$ -	\$ -	\$ -
6	Source of Supply Plant				
7	310.1 Water Rights	0.00%	-	-	-
8	310.3 Other Source of Supply Land	0.00%	-	-	-
9	310.4 Wells - Other	n/a	-	-	-
10	314 Wells	3.13%	-	-	-
11	Subtotal Source of Sup. Plant		\$ -	\$ -	\$ -
12	Pumping Plant				
13	320 Pumping Plant Land	0.00%	-	-	-
14	321 Pumping Plant Struct. & Improv.	2.86%	-	-	-
15	325 Electric Pumping Equipment	5.88%	-	-	-
16	328 Gas Engine Equipment	4.00%	-	-	-
17	Subtotal Pumping Plant		\$ -	\$ -	\$ -
18	Water Treatment Plant				
19	330 Water Treatment Plant Land	0.00%	-	-	-
20	331 Water Trtmt. Struct. & Improv.	2.50%	-	-	-
21	332 Water Treatment Equipment	2.86%	-	-	-
22	Subtotal Water Trtmt. Plant		\$ -	\$ -	\$ -
23	Transmission & Distribution Plant				
24	340 Trans. and Dist. Land	0.00%	-	-	-
25	341 Transmission and Distribution Structur	3.33%	-	-	-
26	342 Storage Tanks	2.00%	-	-	-
27	343 Trans. & Dist. Mains	1.79%	-	-	-
28	344 Fire Sprinkler Taps	2.00%	-	-	-
29	345 Services	2.38%	43,000	34,918	(8,082)
30	346 Meters	4.55%	-	247.04	247
31	348 Hydrants	1.82%	-	-	-
32	Subtotal Trans. & Dist.		\$ 43,000	\$ 35,165	\$ (7,835)
33	General Plant				
34	388 General Plant Land	0.00%	-	-	-
35	390 General Plant Structures	2.50%	-	-	-
36	390.1 Leasehold Improvements	n/a	-	-	-
37	391 Office Furniture & Equipment	6.67%	-	-	-
38	393 Warehouse Equipment	5.00%	-	-	-
39	394 Tools, Shop & Garage Equip.	4.00%	-	-	-
40	395 Laboratory Equipment	5.00%	-	-	-
41	396 Power Operated Equipment	6.67%	-	-	-
42	397 Communication Equipment	6.67%	-	-	-
43	398 Miscellaneous Equipment	3.33%	-	-	-
44	Subtotal General Plant		\$ -	\$ -	\$ -
45					
46	Total Utility Plant		\$ 43,000	\$ 35,165	\$ (7,835)
47					
48	Accumulated Depreciation (1/2-Year Convention)				\$ (181)
49					\$ (91)
50	Net Plant				\$ (7,745)
51					
52					
53					
54					
55					

<sup>1</sup>Updated costs provided in response to Staff data request BAB 8.1/RUCO data request 6.01.

Line No.	Description	Pinal Valley (Continued)			Adjstm't to Depreciation Expense
		[A] As Filed	[B] Settlement	[C] Increase / (Decrease)	
1	Intangible Plant				
2	301 Organization	0.00%	\$ -	\$ -	
3	302 Franchises	n/a	-	-	
4	303 Other Intangibles	n/a	-	-	
5	Subtotal Intangible Plant		\$ -	\$ -	
6	Source of Supply Plant				
7	310.1 Water Rights	0.00%	-	-	
8	310.3 Other Source of Supply Land	0.00%	-	-	
9	310.4 Wells - Other	n/a	-	-	
10	314 Wells	3.13%	-	-	
11	Subtotal Source of Sup. Plant		\$ -	\$ -	
12	Pumping Plant				
13	320 Pumping Plant Land	0.00%	-	-	
14	321 Pumping Plant Struct. & Improv.	2.86%	-	-	
15	325 Electric Pumping Equipment	5.88%	-	-	
16	328 Gas Engine Equipment	4.00%	-	-	
17	Subtotal Pumping Plant		\$ -	\$ -	
18	Water Treatment Plant				
19	330 Water Treatment Plant Land	0.00%	-	-	
20	331 Water Trtmt. Struct. & Improv.	2.50%	-	-	
21	332 Water Treatment Equipment	2.86%	-	-	
22	Subtotal Water Trtmt. Plant		\$ -	\$ -	
23	Transmission & Distribution Plant				
24	340 Trans. and Dist. Land	0.00%	-	-	
25	341 Transmission and Distribution Structur.	3.33%	-	-	
26	342 Storage Tanks	2.00%	-	-	
27	343 Trans. & Dist. Mains	1.79%	-	-	
28	344 Fire Sprinkler Taps	2.00%	-	-	
29	345 Services	2.38%	-	-	
30	346 Meters	4.55%	120,000	5,690	259
31	348 Hydrants	1.82%	-	-	
32	Subtotal Trans. & Dist.		\$ 120,000	\$ 5,690	\$ 259
33	General Plant				
34	389 General Plant Land	0.00%	-	-	
35	390 General Plant Structures	2.50%	-	-	
36	390.1 Leasehold Improvements	n/a	-	-	
37	391 Office Furniture & Equipment	6.67%	-	-	
38	393 Warehouse Equipment	5.00%	-	-	
39	394 Tools, Shop & Garage Equip.	4.00%	-	-	
40	395 Laboratory Equipment	5.00%	-	-	
41	396 Power Operated Equipment	6.67%	-	-	
42	397 Communication Equipment	6.67%	-	-	
43	398 Miscellaneous Equipment	3.33%	-	-	
44	Subtotal General Plant		\$ -	\$ -	
45	Total Utility Plant		\$ 120,000	\$ 5,690	\$ 259
46	Accumulated Depreciation (12-Year Convention)		\$ 125,690	\$ 5,690	\$ 129
47	Net Plant		\$ -	\$ -	\$ 5,561

\*Updated costs provided in response to Staff data request BAB 8.1/RUCO data request 6.01.

Line No.	Description	Pinal Valley (Continued)			Adjstm't to Depreciation Expense
		[A] Depreciation Rate	[B] Work Authorization 1-5344 As Filed Settlement	[C] Increase / (Decrease)	
1	Intangible Plant				
2	301 Organization	0.00%	\$ -	\$ -	\$ -
3	302 Franchises	n/a	-	-	-
4	303 Other Intangibles	n/a	-	-	-
5	Subtotal Intangible Plant		\$ -	\$ -	\$ -
6	Source of Supply Plant				
7	310.1 Water Rights	0.00%	-	-	-
8	310.3 Other Source of Supply Land	0.00%	-	-	-
9	310.4 Wells - Other	n/a	-	-	-
10	314 Wells	3.13%	-	-	-
11	Subtotal Source of Sup. Plant		\$ -	\$ -	\$ -
12	Pumping Plant				
13	320 Pumping Plant Land	0.00%	-	-	-
14	321 Pumping Plant Struct. & Improv.	2.86%	-	-	-
15	325 Electric Pumping Equipment	5.88%	-	-	-
16	328 Gas Engine Equipment	4.00%	-	-	-
17	Subtotal Pumping Plant		\$ -	\$ -	\$ -
18	Water Treatment Plant				
19	330 Water Treatment Plant Land	0.00%	-	-	-
20	331 Water Trtmt. Struct. & Improv.	2.50%	-	-	-
21	332 Water Treatment Equipment	2.86%	-	-	-
22	Subtotal Water Trtmt. Plant		\$ -	\$ -	\$ -
23	Transmission & Distribution Plant				
24	340 Trans. and Dist. Land	0.00%	-	-	-
25	341 Transmission and Distribution Structur	3.33%	-	-	-
26	342 Storage Tanks	2.00%	-	-	-
27	343 Trans. & Dist. Mains	1.79%	27,000	(1,632)	(29)
28	344 Fire Sprinkler Taps	2.00%	-	-	-
29	345 Services	2.38%	-	-	-
30	346 Meters	4.55%	-	-	-
31	348 Hydrants	1.82%	-	-	-
32	Subtotal Trans. & Dist.		\$ 27,000	\$ (1,632)	\$ (29)
33	General Plant				
34	389 General Plant Land	0.00%	-	-	-
35	390 General Plant Structures	2.50%	-	-	-
36	390.1 Leasehold Improvements	n/a	-	-	-
37	391 Office Furniture & Equipment	6.67%	-	-	-
38	393 Warehouse Equipment	5.00%	-	-	-
39	394 Tools, Shop & Garage Equip.	4.00%	-	-	-
40	395 Laboratory Equipment	5.00%	-	-	-
41	396 Power Operated Equipment	6.67%	-	-	-
42	397 Communication Equipment	6.67%	-	-	-
43	398 Miscellaneous Equipment	3.33%	-	-	-
44	Subtotal General Plant		\$ -	\$ -	\$ -
45	Total Utility Plant		\$ 27,000	\$ (1,632)	\$ (29)
46	Accumulated Depreciation (1/2-Year Convention)		\$ 25,368	\$ (1,632)	\$ (15)
47	Net Plant		\$ -	\$ -	\$ (1,618)

\*Updated costs provided in response to Staff data request BAB 8.1/RUCO data request 6.01.

**ARIZONA WATER COMPANY**  
Test Year Ended December 31, 2014  
Settlement Rate Base Adjustment No. 1 (continued)  
True-Up Post-Test Year Plant to Reflect Actual Expenditures for Projects  
Placed in Service as of Dec. 31, 2015, and Eliminate Blanket Projects

Line No.	Description	Pinat Valley (Continued)			Adjstmt to Depreciation Expense
		(A) As Filed	(B) Settlement <sup>1</sup>	(C) Increase / (Decrease)	
1	Intangible Plant				
2	301 Organization	0.00%	\$ -	\$ -	\$ -
3	302 Franchises	n/a	-	-	-
4	303 Other Intangibles	n/a	-	-	-
5	Subtotal Intangible Plant		\$ -	\$ -	\$ -
6	Source of Supply Plant				
7	310.1 Water Rights	0.00%	-	-	-
8	310.3 Other Source of Supply Land	0.00%	-	-	-
9	310.4 Wells - Other	n/a	-	-	-
10	314 Wells	3.13%	-	-	-
11	Subtotal Source of Sup. Plant		\$ -	\$ -	\$ -
12	Pumping Plant				
13	320 Pumping Plant Land	0.00%	-	-	-
14	321 Pumping Plant Struct. & Improv.	2.86%	-	-	-
15	325 Electric Pumping Equipment	5.88%	-	-	-
16	328 Gas Engine Equipment	4.00%	-	-	-
17	Subtotal Pumping Plant		\$ -	\$ -	\$ -
18	Water Treatment Plant				
19	330 Water Treatment Plant Land	0.00%	-	-	-
20	331 Water Trtmt. Struct. & Improv.	2.50%	-	-	-
21	332 Water Treatment Equipment	2.86%	25,000	20,645	(4,355)
22	Subtotal Water Trtmt. Plant		\$ 25,000	\$ 20,645	\$ (4,355)
23	Transmission & Distribution Plant				
24	340 Trans. and Dist. Land	0.00%	-	-	-
25	341 Transmission and Distribution Structure	3.33%	-	-	-
26	342 Storage Tanks	2.00%	-	-	-
27	343 Trans. & Dist. Mains	1.79%	-	-	-
28	344 Fire Sprinkler Taps	2.00%	-	-	-
29	345 Services	2.38%	-	-	-
30	346 Meters	4.55%	-	-	-
31	348 Hydrants	1.82%	-	-	-
32	Subtotal Trans. & Dist.		\$ -	\$ -	\$ -
33	General Plant				
34	389 General Plant Land	0.00%	-	-	-
35	390 General Plant Structures	2.50%	-	-	-
36	390.1 Leasehold Improvements	n/a	-	-	-
37	391 Office Furniture & Equipment	6.67%	-	-	-
38	393 Warehouse Equipment	5.00%	-	-	-
39	394 Tools, Shop & Garage Equip.	4.00%	-	-	-
40	395 Laboratory Equipment	5.00%	-	-	-
41	396 Power Operated Equipment	6.67%	-	-	-
42	397 Communication Equipment	6.67%	-	-	-
43	398 Miscellaneous Equipment	3.33%	-	-	-
44	Subtotal General Plant		\$ -	\$ -	\$ -
45	Total Utility Plant		\$ 25,000	\$ 20,645	\$ (4,355)
47	Accumulated Depreciation (1/2-Year Convention)				\$ (125)
48					\$ (62)
49	Net Plant				\$ (4,293)

<sup>1</sup>Updated costs provided in response to Staff data request BAB 8-1/RUCO data request 6.01.

**ARIZONA WATER COMPANY**  
Test Year Ended December 31, 2014  
Settlement Rate Base Adjustment No. 1 (continued)  
True-Up Post-Test Year Plant to Reflect Actual Expenditures for Projects  
Placed in Service as of Dec. 31, 2015, and Eliminate Blanket Projects

Line No.	Description	Pinjal Valley (Continued)			Adjstmt to Depreciation Expense
		(A) As Filed	(B) Settlement	(C) Increase / (Decrease)	
		Depreciation Rate	Work Authorization 1-5348		
1	Intangible Plant				
2	301 Organization	0.00%	\$ -	\$ -	
3	302 Franchises	n/a	-	-	
4	303 Other Intangibles	n/a	-	-	
5	Subtotal Intangible Plant		\$ -	\$ -	
6	Source of Supply Plant				
7	310.1 Water Rights	0.00%	-	-	
8	310.3 Other Source of Supply Land	0.00%	-	-	
9	310.4 Wells - Other	n/a	-	-	
10	314 Wells	3.13%	-	-	
11	Subtotal Source of Sup. Plant		\$ -	\$ -	
12	Pumping Plant				
13	320 Pumping Plant Land	0.00%	-	-	
14	321 Pumping Plant Struct. & Improv.	2.86%	-	-	
15	325 Electric Pumping Equipment	5.88%	-	-	
16	328 Gas Engine Equipment	4.00%	-	-	
17	Subtotal Pumping Plant		\$ -	\$ -	
18	Water Treatment Plant				
19	330 Water Treatment Plant Land	0.00%	-	-	
20	331 Water Trtmt. Struct. & Improv.	2.50%	-	-	
21	332 Water Treatment Equipment	2.86%	-	-	
22	Subtotal Water Trtmt. Plant		\$ -	\$ -	
23	Transmission & Distribution Plant				
24	340 Trans. and Dist. Land	0.00%	-	-	
25	341 Transmission and Distribution Structur	3.33%	-	-	
26	342 Storage Tanks	2.00%	-	-	
27	343 Trans. & Dist. Mains	1.79%	-	-	
28	344 Fire Sprinkler Taps	2.00%	-	-	
29	345 Services	2.38%	-	-	
30	346 Meters	4.55%	-	-	
31	348 Hydrants	1.82%	-	-	
32	Subtotal Trans. & Dist.		\$ -	\$ -	
33	General Plant				
34	389 General Plant Land	0.00%	-	-	
35	390 General Plant Structures	2.50%	-	-	
36	390.1 Leasehold Improvements	n/a	-	-	
37	391 Office Furniture & Equipment	6.67%	-	-	
38	393 Warehouse Equipment	5.00%	-	-	
39	394 Tools, Shop & Garage Equip.	4.00%	-	-	
40	395 Laboratory Equipment	5.00%	-	-	
41	396 Power Operated Equipment	6.67%	-	-	
42	397 Communication Equipment	6.67%	27,000	19,377 (7,623)	(508)
43	398 Miscellaneous Equipment	3.33%	-	-	
44	Subtotal General Plant		\$ 27,000	\$ 19,377 (7,623)	\$ (508)
45	Total Utility Plant		\$ 27,000	\$ 19,377 (7,623)	\$ (508)
46	Accumulated Depreciation (1/2-Year Convention)		\$ 27,000	\$ 19,377 (7,623)	\$ (508)
47	Net Plant		\$ -	\$ -	\$ (7,369)

\*Updated costs provided in response to Staff data request BAB 8.1/RUCO data request 6.01.

**ARIZONA WATER COMPANY**  
Test Year Ended December 31, 2014  
Settlement Rate Base Adjustment No. 1 (continued)  
True-Up Post-Test Year Plant to Reflect Actual Expenditures for Projects  
Placed in Service as of Dec. 31, 2015, and Eliminate Blanket Projects

Line No.	Description	Pinal Valley (Continued)			Adjstmt to Depreciation Expense
		[A] As Filed	[B] Settlement	[C] Increase / (Decrease)	
		Work Authorization 1-5358			
1	Intangible Plant				
2	301 Organization	0.00%	\$ -	\$ -	\$ -
3	302 Franchises	n/a	-	-	-
4	303 Other Intangibles	n/a	-	-	-
5	Subtotal Intangible Plant		\$ -	\$ -	\$ -
6	Source of Supply Plant				
7	310.1 Water Rights	0.00%	-	-	-
8	310.3 Other Source of Supply Land	0.00%	-	-	-
9	310.4 Wells - Other	n/a	-	-	-
10	314 Wells	3.13%	-	-	-
11	Subtotal Source of Sup. Plant		\$ -	\$ -	\$ -
12	Pumping Plant				
13	320 Pumping Plant Land	0.00%	-	-	-
14	321 Pumping Plant Struct. & Improv.	2.86%	-	-	-
15	325 Electric Pumping Equipment	5.88%	115,000	124,002	9,002
16	328 Gas Engine Equipment	4.00%	-	-	-
17	Subtotal Pumping Plant		\$ 115,000	\$ 124,002	\$ 9,002
18	Water Treatment Plant				
19	330 Water Treatment Plant Land	0.00%	-	-	-
20	331 Water Trtmt. Struct. & Improv.	2.50%	-	-	-
21	332 Water Treatment Equipment	2.86%	-	-	-
22	Subtotal Water Trtmt. Plant		\$ -	\$ -	\$ -
23	Transmission & Distribution Plant				
24	340 Trans. and Dist. Land	0.00%	-	-	-
25	341 Transmission and Distribution Structure	3.33%	-	-	-
26	342 Storage Tanks	2.00%	-	-	-
27	343 Trans. & Dist. Mains	1.79%	-	-	-
28	344 Fire Sprinkler Taps	2.00%	-	-	-
29	345 Services	2.38%	-	-	-
30	346 Meters	4.55%	-	-	-
31	348 Hydrants	1.82%	-	-	-
32	Subtotal Trans. & Dist. General Plant		\$ -	\$ -	\$ -
33	General Plant				
34	389 General Plant Land	0.00%	-	-	-
35	390 General Plant Structures	2.50%	-	-	-
36	390.1 Leasehold Improvements	n/a	-	-	-
37	391 Office Furniture & Equipment	6.67%	-	-	-
38	393 Warehouse Equipment	5.00%	-	-	-
39	394 Tools, Shop & Garage Equip.	4.00%	-	-	-
40	395 Laboratory Equipment	5.00%	-	-	-
41	396 Power Operated Equipment	6.67%	-	-	-
42	397 Communication Equipment	6.67%	-	-	-
43	398 Miscellaneous Equipment	3.33%	-	-	-
44	Subtotal General Plant		\$ -	\$ -	\$ -
45	Total Utility Plant		\$ 115,000	\$ 124,002	\$ 9,002
46	Accumulated Depreciation (1/2-Year Convention)				
47					\$ 529
48					\$ 265
49	Net Plant				\$ 8,737
50					
51					
52					
53					
54					
55					

\*Updated costs provided in response to Staff data request BAB 8.1/RUCO data request 6.01.

**ARIZONA WATER COMPANY**  
 Test Year Ended December 31, 2014  
 Settlement Rate Base Adjustment No. 1 (continued)  
 True-Up Post-Test Year Plant to Reflect Actual Expenditures for Projects  
 Placed in Service as of Dec. 31, 2015, and Eliminate Blanket Projects

Line No.	Description	Pinal Valley (Continued)			Adjustmt to Depreciation Expense
		[A] As Filed	[B] Settlement <sup>1</sup>	[C] Increase / (Decrease)	
		Work Authorization 1-5362			
1	Intangible Plant				
2	301 Organization	0.00%	\$ -	\$ -	\$ -
3	302 Franchises	n/a	-	-	-
4	303 Other Intangibles	n/a	-	-	-
5	Subtotal Intangible Plant		\$ -	\$ -	\$ -
6	Source of Supply Plant				
7	310.1 Water Rights	0.00%	-	-	-
8	310.3 Other Source of Supply Land	0.00%	-	-	-
9	310.4 Wells - Other	n/a	-	-	-
10	314 Wells	3.13%	-	-	-
11	Subtotal Source of Sup. Plant		\$ -	\$ -	\$ -
12	Pumping Plant				
13	320 Pumping Plant Land	0.00%	-	-	-
14	321 Pumping Plant Struct. & Improv.	2.86%	-	-	-
15	325 Electric Pumping Equipment	5.88%	117,000	74,910	(42,090)
16	328 Gas Engine Equipment	4.00%	-	-	-
17	Subtotal Pumping Plant		\$ 117,000	\$ 74,910	\$ (42,090)
18	Water Treatment Plant				
19	330 Water Treatment Plant Land	0.00%	-	-	-
20	331 Water Trtmt. Struct. & Improv.	2.50%	-	-	-
21	332 Water Treatment Equipment	2.86%	-	-	-
22	Subtotal Water Trtmt. Plant		\$ -	\$ -	\$ -
23	Transmission & Distribution Plant				
24	340 Trans. and Dist. Land	0.00%	-	-	-
25	341 Transmission and Distribution Structur	3.33%	-	-	-
26	342 Storage Tanks	2.00%	-	-	-
27	343 Trans. & Dist. Mains	1.79%	-	-	-
28	344 Fire Sprinkler Taps	2.00%	-	-	-
29	345 Services	2.38%	-	-	-
30	346 Meters	4.55%	-	-	-
31	348 Hydrants	1.82%	-	-	-
32	Subtotal Trans. & Dist.		\$ -	\$ -	\$ -
33	General Plant				
34	389 General Plant Land	0.00%	-	-	-
35	390 General Plant Structures	2.50%	-	-	-
36	390.1 Leasehold Improvements	n/a	-	-	-
37	391 Office Furniture & Equipment	6.67%	-	-	-
38	393 Warehouse Equipment	5.00%	-	-	-
39	394 Tools, Shop & Garage Equip.	4.00%	-	-	-
40	395 Laboratory Equipment	5.00%	-	-	-
41	396 Power Operated Equipment	6.67%	-	-	-
42	397 Communication Equipment	6.67%	-	-	-
43	398 Miscellaneous Equipment	3.33%	-	-	-
44	Subtotal General Plant		\$ -	\$ -	\$ -
45	Total Utility Plant		\$ 117,000	\$ 74,910	\$ (42,090)
46	Accumulated Depreciation (1/2-Year Convention)				
47					
48					
49					
50	Net Plant				
51					
52					
53					
54					
55					

<sup>1</sup>Updated costs provided in response to Staff data request BAB 6.1/RUCO data request 6.01.

**ARIZONA WATER COMPANY**  
 Test Year Ended December 31, 2014  
 Settlement Rate Base Adjustment No. 1 (continued)  
 True-Up Post-Test Year Plant to Reflect Actual Expenditures for Projects  
 Placed in Service as of Dec. 31, 2015, and Eliminate Blanket Projects

Line No.	Description	Pinal Valley (Continued)			Adjustmt to Depreciation Expense
		[A] As Filed	[B] Settlement	[C] Increase / (Decrease)	
1	Intangible Plant				
2	301 Organization	0.00%	\$ -	\$ -	\$ -
3	302 Franchises	n/a	-	-	-
4	303 Other Intangibles	n/a	-	-	-
5	Subtotal Intangible Plant		\$ -	\$ -	\$ -
6	Source of Supply Plant				
7	310.1 Water Rights	0.00%	-	-	-
8	310.3 Other Source of Supply Land	0.00%	-	-	-
9	310.4 Wells - Other	n/a	-	-	-
10	314 Wells	3.13%	16,383	16,383	513
11	Subtotal Source of Sup. Plant		\$ 16,383	\$ 16,383	\$ 513
12	Pumping Plant				
13	320 Pumping Plant Land	0.00%	-	-	-
14	321 Pumping Plant Struct. & Improv.	2.86%	-	-	-
15	325 Electric Pumping Equipment	5.88%	200,000	(82,129)	(4,829)
16	328 Gas Engine Equipment	4.00%	-	-	-
17	Subtotal Pumping Plant		\$ 200,000	\$ (82,129)	\$ (4,829)
18	Water Treatment Plant				
19	330 Water Treatment Plant Land	0.00%	-	-	-
20	331 Water Trtmt. Struct. & Improv.	2.50%	-	-	-
21	332 Water Treatment Equipment	2.86%	-	-	-
22	Subtotal Water Trtmt. Plant		\$ -	\$ -	\$ -
23	Transmission & Distribution Plant				
24	340 Trans. and Dist. Land	0.00%	-	-	-
25	341 Transmission and Distribution Structur	3.33%	-	-	-
26	342 Storage Tanks	2.00%	-	-	-
27	343 Trans. & Dist. Mains	1.79%	-	-	-
28	344 Fire Sprinkler Taps	2.00%	-	-	-
29	345 Services	2.38%	-	-	-
30	346 Meters	4.55%	-	-	-
31	348 Hydrants	1.82%	-	-	-
32	Subtotal Trans. & Dist.		\$ -	\$ -	\$ -
33	General Plant				
34	389 General Plant Land	0.00%	-	-	-
35	380 General Plant Structures	2.50%	-	-	-
36	390.1 Leasehold Improvements	n/a	-	-	-
37	391 Office Furniture & Equipment	6.67%	-	-	-
38	393 Warehouse Equipment	5.00%	-	-	-
39	394 Tools, Shop & Garage Equip.	4.00%	-	-	-
40	395 Laboratory Equipment	5.00%	-	-	-
41	396 Power Operated Equipment	6.67%	-	-	-
42	397 Communication Equipment	6.67%	-	-	-
43	398 Miscellaneous Equipment	3.33%	-	-	-
44	Subtotal General Plant		\$ -	\$ -	\$ -
45	Total Utility Plant		\$ 200,000	\$ (65,746)	\$ (4,316)
46	Accumulated Depreciation (1/2-Year Convention)		\$ 134,254	\$ (65,746)	\$ (2,156)
47	Net Plant		\$ -	\$ -	\$ (63,586)

\*Updated costs provided in response to Staff data request BAB 8.1/RUCO data request 6.01.

**ARIZONA WATER COMPANY**  
 Test Year Ended December 31, 2014  
 Settlement Rate Base Adjustment No. 1  
 True-Up Post-Test Year Plant to Reflect Actual Expenditures for Projects  
 Placed in Service as of Dec. 31, 2015, and Eliminate Blanket Projects

Line No.	Description	Depreciation Rate	Pinal Valley (Continued)		Adjustment to Depreciation Expenses
			(A) As Filed	(B) Work Authorization Settlement	
1					
2					
3	Intangible Plant	0.00%	\$ -		\$ -
4	Organization	n/a			
5	Franchises	n/a			
6	Other Intangibles				
7	Subtotal Intangible Plant		\$ -		\$ -
8	Source of Supply Plant				
9	310.1 Water Rights				
10	310.3 Other Sources of Supply Land				
11	310.4 Wells - Other				
12	Wells				
13	Subtotal Source of Sup. Plant		\$ -		\$ -
14	Pumping Plant	0.00%			
15	320 Pumping Plant Land	0.00%			
16	321 Pumping Plant Land	n/a			
17	325 Electric Pumping Equipment	3.13%			
18	328 Gas Engine Equipment				
19	Subtotal Pumping Plant		\$ -		\$ -
20	Water Treatment Plant				
21	330 Water Treatment Plant	0.00%			
22	331 Water Treatment Plant Land	2.86%			
23	332 Water Trmt. Struct. & Improv.	4.00%			
24	Subtotal Water Trmt. Struct. & Improv.		\$ -		\$ -
25	Transmission & Distribution Plant				
26	340 Trans. and Dist. Land	0.00%			
27	342 Transmission and Distribution Plant	2.50%			
28	343 Storage Tanks	2.86%			
29	344 Trans. & Dist. Mains				
30	345 Fire Sprinkler Taps				
31	346 Services				
32	348 Meters				
33	Hydrants				
34	Subtotal Trans. & Dist.		\$ -		\$ -
35	General Plant				
36	389 General Plant Land	0.00%			
37	390 General Plant Structures	3.33%			
38	391 Leasehold Improvements	2.00%			
39	393 Office Furniture & Equipment	1.79%			
40	394 Warehouse Equipment	2.00%			
41	395 Tools, Shop & Garage Equip.	1.82%			
42	396 Laboratory Equipment				
43	397 Power Operated Equipment				
44	398 Communication Equipment				
45	Miscellaneous Equipment				
46	Subtotal General Plant		\$ 79,622		\$ 192
47	Total Utility Plant		\$ 70,000		\$ -
48	Accumulated Depreciation (12-Year Convention)				
49					
50					
51	Net Plant		\$ 70,000	\$ 79,622	\$ 9,622
52					
53					
54					
55					

Updated costs provided in response to Staff data request BAB 8 1/RUCO data request 6.01.  
 Supporting Schedules:

**ARIZONA WATER COMPANY**  
Test Year Ended December 31, 2014  
Settlement Rate Base Adjustment No. 1 (continued)  
True-Up Post-Test Year Plant to Reflect Actual Expenditures for Projects  
Placed in Service as of Dec. 31, 2015, and Eliminate Blanket Projects

Line No.	Description	Pinjal Valley (Continued)			Adjustmt' to Depreciation Expense
		(A) As Filed	(B) Settlement <sup>1</sup>	(C) Increase / (Decrease)	
1	Intangible Plant				
2	301 Organization	0.00%	\$ -	\$ -	\$ -
3	302 Franchises	n/a	-	-	-
4	303 Other Intangibles	n/a	-	-	-
5	Subtotal Intangible Plant		\$ -	\$ -	\$ -
6	Source of Supply Plant				
7	310.1 Water Rights	0.00%	-	-	-
8	310.3 Other Source of Supply Land	0.00%	-	-	-
9	310.4 Wells - Other	n/a	-	-	-
10	314 Wells	3.13%	-	-	-
11	Subtotal Source of Sup. Plant		\$ -	\$ -	\$ -
12	Pumping Plant				
13	320 Pumping Plant Land	0.00%	-	-	-
14	321 Pumping Plant Struct. & Improv.	2.86%	-	-	-
15	325 Electric Pumping Equipment	5.88%	-	-	-
16	328 Gas Engine Equipment	4.00%	-	-	-
17	Subtotal Pumping Plant		\$ -	\$ -	\$ -
18	Water Treatment Plant				
19	330 Water Treatment Plant Land	0.00%	-	-	-
20	331 Water Trtmt. Struct. & Improv.	2.50%	-	-	-
21	332 Water Treatment Equipment	2.86%	-	-	-
22	Subtotal Water Trtmt. Plant		\$ -	\$ -	\$ -
23	Transmission & Distribution Plant				
24	340 Trans. and Dist. Land	0.00%	-	-	-
25	341 Transmission and Distribution Structur	3.33%	-	-	-
26	342 Storage Tanks	2.00%	-	-	-
27	343 Trans. & Dist. Mains	1.79%	195,574	195,574	0
28	344 Fire Sprinkler Taps	2.00%	-	-	-
29	345 Services	2.38%	-	-	-
30	346 Meters	4.55%	-	-	-
31	348 Hydrants	1.82%	-	-	-
32	Subtotal Trans. & Dist.		\$ 195,574	\$ 195,574	\$ 0
33	General Plant				
34	389 General Plant Land	0.00%	-	-	-
35	390 General Plant Structures	2.50%	-	-	-
36	390.1 Leasehold Improvements	n/a	-	-	-
37	391 Office Furniture & Equipment	6.67%	-	-	-
38	393 Warehouse Equipment	5.00%	-	-	-
39	394 Tools, Shop & Garage Equip.	4.00%	-	-	-
40	395 Laboratory Equipment	5.00%	-	-	-
41	396 Power Operated Equipment	6.67%	-	-	-
42	397 Communication Equipment	6.67%	-	-	-
43	398 Miscellaneous Equipment	3.33%	-	-	-
44	Subtotal General Plant		\$ -	\$ -	\$ -
45	Total Utility Plant		\$ 195,574	\$ 195,574	\$ 0
46	Accumulated Depreciation (1/2-Year Convention)				
47	Net Plant				
48			\$ 195,574	\$ 195,574	\$ 0
49			\$ -	\$ -	\$ 0
50			\$ -	\$ -	\$ 0
51			\$ -	\$ -	\$ 0
52			\$ -	\$ -	\$ 0
53			\$ -	\$ -	\$ 0
54			\$ -	\$ -	\$ 0
55			\$ -	\$ -	\$ 0

<sup>1</sup>Updated costs provided in response to Staff data request BAB 8.1/RUCO data request 6.01.

**ARIZONA WATER COMPANY**

Test Year Ended December 31, 2014  
 Settlement Rate Base Adjustment No. 1 (Continued)  
 True-Up Post-Test Year Plant to Reflect Actual Expenditures for Projects  
 Placed in Service as of Dec. 31, 2015, and Eliminate Blanket Projects

Exhibit  
 Schedule B-2 Settlement Appendix  
 Page 31 of 51  
 Witness: Reiker

Line No.	Pinal Valley (Continued)				Adjstmt to Depreciation Expense
	(A)	(B)	(C)	(D)	
	Depreciation Rate	As Filed	Work Authorization Settlement	Increase / Decrease	
1					
2	Intangible Plant				
3	301 Organization	0.00%	\$ -	\$ -	\$ -
4	302 Franchises	n/a	-	-	-
5	303 Other Intangibles	n/a	-	-	-
6	Subtotal Intangible Plant		\$ -	\$ -	\$ -
7	Source of Supply Plant				
8	310.1 Water Rights	0.00%	-	-	-
9	310.3 Other Source of Supply Land	0.00%	-	-	-
10	310.4 Wells - Other	n/a	-	-	-
11	314 Wells	3.13%	-	-	-
12	Subtotal Source of Sup. Plant		\$ -	\$ -	\$ -
13	Pumping Plant				
14	320 Pumping Plant Land	0.00%	-	-	-
15	321 Pumping Plant Struct. & Improv.	2.86%	-	-	-
16	325 Electric Pumping Equipment	5.88%	106,065	103,598	(2,467)
17	328 Gas Engine Equipment	4.00%	-	-	-
18	Subtotal Pumping Plant		\$ 106,065	\$ 103,598	\$ (2,467)
19	Water Treatment Plant				
20	330 Water Treatment Plant Land	0.00%	-	-	-
21	331 Water Trtmt. Struct. & Improv.	2.50%	-	-	-
22	332 Water Treatment Equipment	2.86%	-	-	-
23	Subtotal Water Trtmt. Plant		\$ -	\$ -	\$ -
24	Transmission & Distribution Plant				
25	340 Trans. and Dist. Land	0.00%	-	-	-
26	341 Transmission and Distribution Structur	3.33%	-	-	-
27	342 Storage Tanks	2.00%	-	-	-
28	343 Trans. & Dist. Mains	1.79%	-	-	-
29	344 Fire Sprinkler Taps	2.00%	-	-	-
30	345 Services	2.38%	-	-	-
31	346 Meters	4.55%	-	-	-
32	348 Hydrants	1.82%	-	-	-
33	Subtotal Trans. & Dist.		\$ -	\$ -	\$ -
34	General Plant				
35	389 General Plant Land	0.00%	-	-	-
36	390 General Plant Structures	2.50%	-	-	-
37	390.1 Leasehold Improvements	n/a	-	-	-
38	391 Office Furniture & Equipment	6.67%	-	-	-
39	393 Warehouse Equipment	5.00%	-	-	-
40	394 Tools, Shop & Garage Equip.	4.00%	-	-	-
41	395 Laboratory Equipment	5.00%	-	-	-
42	396 Power Operated Equipment	6.67%	-	-	-
43	397 Communication Equipment	6.67%	-	-	-
44	398 Miscellaneous Equipment	3.33%	-	-	-
45	Subtotal General Plant		\$ -	\$ -	\$ -
46	Total Utility Plant		\$ 106,065	\$ 103,598	\$ (2,467)
47	Accumulated Depreciation (1/2-Year Convention)				\$ (145)
48	Net Plant				\$ (73)
49					\$ (2,395)
50					
51					
52					
53					
54					
55					

<sup>1</sup>Updated costs provided in response to Staff data request BAB 8.1/RUCO data request 6.01.

**ARIZONA WATER COMPANY**  
Test Year Ended December 31, 2014  
Settlement Rate Base Adjustment No. 1 (continued)  
True-Up Post-Test Year Plant to Reflect Actual Expenditures for Projects  
Placed in Service as of Dec. 31, 2015, and Eliminate Blanket Projects

Line No.	Description	Pinal Valley (Continued)				Adjstmt to Depreciation Expense
		(A) As Filed	(B) Settlement <sup>1</sup>	(C) Increase / (Decrease)	(D)	
		Work Authorization 1-5165				
1	Intangible Plant					
2	301 Organization	0.00%	\$ -	\$ -	\$ -	
3	302 Franchises	n/a	-	-	-	
4	303 Other Intangibles	n/a	-	-	-	
5	Subtotal Intangible Plant		\$ -	\$ -	\$ -	
6	Source of Supply Plant					
7	310.1 Water Rights	0.00%	-	-	-	
8	310.3 Other Source of Supply Land	0.00%	-	-	-	
9	310.4 Wells - Other	n/a	-	-	-	
10	314 Wells	3.13%	387,563	387,563	0	
11	Subtotal Source of Sup. Plant		\$ 387,563	\$ 387,563	\$ 0	
12	Pumping Plant					
13	320 Pumping Plant Land	0.00%	-	-	-	
14	321 Pumping Plant Struct. & Improv.	2.86%	4,397	4,397	(0)	
15	325 Electric Pumping Equipment	5.88%	25,486	25,486	(0)	
16	328 Gas Engine Equipment	4.00%	-	-	(0)	
17	Subtotal Pumping Plant		\$ 29,883	\$ 29,882	\$ (1)	
18	Water Treatment Plant					
19	330 Water Treatment Plant Land	0.00%	-	-	-	
20	331 Water Trmt. Struct. & Improv.	2.50%	-	-	-	
21	332 Water Treatment Equipment	2.86%	-	-	-	
22	Subtotal Water Trmt. Plant		\$ -	\$ -	\$ -	
23	Transmission & Distribution Plant					
24	340 Trans. and Dist. Land	0.00%	-	-	-	
25	341 Transmission and Distribution Structur	3.33%	-	-	-	
26	342 Storage Tanks	2.00%	-	-	-	
27	343 Trans. & Dist. Mains	1.79%	-	-	-	
28	344 Fire Sprinkler Taps	2.00%	-	-	-	
29	345 Services	2.38%	-	-	-	
30	346 Meters	4.55%	-	-	-	
31	348 Hydrants	1.82%	-	-	-	
32	Subtotal Trans. & Dist.		\$ -	\$ -	\$ -	
33	General Plant					
34	389 General Plant Land	0.00%	-	-	-	
35	390 General Plant Structures	2.50%	-	-	-	
36	390.1 Leasehold Improvements	n/a	-	-	-	
37	391 Office Furniture & Equipment	6.67%	-	-	-	
38	393 Warehouse Equipment	5.00%	-	-	-	
39	394 Tools, Shop & Garage Equip.	4.00%	-	-	-	
40	395 Laboratory Equipment	5.00%	-	-	-	
41	396 Power Operated Equipment	6.67%	-	-	-	
42	397 Communication Equipment	6.67%	-	-	-	
43	398 Miscellaneous Equipment	3.33%	-	-	-	
44	Subtotal General Plant		\$ -	\$ -	\$ -	
45	Total Utility Plant		\$ 417,446	\$ 417,446	\$ (0)	
46	Accumulated Depreciation (1/2-Year Convention)					
47						
48						
49						
50	Net Plant					
51						
52						
53						
54						
55						

<sup>1</sup>Updated costs provided in response to Staff data request BAB 8.1/RUCO data request 6.01.

**ARIZONA WATER COMPANY**  
Test Year Ended December 31, 2014  
Settlement Rate Base Adjustment No. 1 (continued)  
True-Up Post-Test Year Plant to Reflect Actual Expenditures for Projects  
Placed in Service as of Dec. 31, 2015, and Eliminate Blanket Projects

Line No.	Description	Pinal Valley (Continued)			Adjstm't to Depreciation Expense
		(A) As Filed	(B) Settlement	(C) Increase / (Decrease)	
1	Intangible Plant				
2	301 Organization	0.00%	\$ -	\$ -	
3	302 Franchises	n/a	-	-	
4	303 Other Intangibles	n/a	-	-	
5	Subtotal Intangible Plant		\$ -	\$ -	
6	Source of Supply Plant				
7	310.1 Water Rights	0.00%	-	-	
8	310.3 Other Source of Supply Land	0.00%	-	-	
9	310.4 Wells - Other	n/a	-	-	
10	314 Wells	3.13%	-	-	
11	Subtotal Source of Sup. Plant		\$ -	\$ -	
12	Pumping Plant				
13	320 Pumping Plant Land	0.00%	-	-	
14	321 Pumping Plant Struct. & Improv.	2.86%	-	-	
15	325 Electric Pumping Equipment	5.88%	245,552	245,968	24
16	328 Gas Engine Equipment	4.00%	-	-	
17	Subtotal Pumping Plant		\$ 245,552	\$ 245,968	\$ 24
18	Water Treatment Plant				
19	330 Water Treatment Plant Land	0.00%	-	-	
20	331 Water Trmt. Struct. & Improv.	2.50%	-	-	
21	332 Water Treatment Equipment	2.86%	-	-	
22	Subtotal Water Trmt. Plant		\$ -	\$ -	
23	Transmission & Distribution Plant				
24	340 Trans. and Dist. Land	0.00%	-	-	
25	341 Transmission and Distribution Structure	3.33%	-	-	
26	342 Storage Tanks	2.00%	-	-	
27	343 Trans. & Dist. Mains	1.79%	-	-	
28	344 Fire Sprinkler Taps	2.00%	-	-	
29	345 Services	2.38%	-	-	
30	346 Meters	4.55%	-	-	
31	348 Hydrants	1.82%	-	-	
32	Subtotal Trans. & Dist.		\$ -	\$ -	
33	General Plant				
34	389 General Plant Land	0.00%	-	-	
35	390 General Plant Structures	2.50%	-	-	
36	390.1 Leasehold Improvements	n/a	-	-	
37	391 Office Furniture & Equipment	6.67%	-	-	
38	393 Warehouse Equipment	5.00%	-	-	
39	394 Tools, Shop & Garage Equip.	4.00%	-	-	
40	395 Laboratory Equipment	5.00%	-	-	
41	396 Power Operated Equipment	6.67%	-	-	
42	397 Communication Equipment	6.67%	-	-	
43	398 Miscellaneous Equipment	3.33%	-	-	
44	Subtotal General Plant		\$ -	\$ -	
45	Total Utility Plant		\$ 245,552	\$ 245,968	\$ 416
46	Accumulated Depreciation (112-Year Convention)				\$ 24
47	Net Plant				\$ 12
48					\$ 404

\*Updated costs provided in response to Staff data request BAB 8.1/RUCO data request 6.01.

Line No.	Description	Pinval Valley - Total				Adjstm't to Depreciation Expense
		(A)	(B)	(C)	(D)	
		Depreciation Rate	Total - All Post-T.Y. Plant As Filed	Settlement	Increase / (Decrease)	
1	Intangible Plant					
2	301 Organization	0.00%	\$ -	\$ -	\$ -	\$ -
3	302 Franchises	n/a	-	-	-	-
4	303 Other Intangibles	n/a	-	-	-	-
5	Subtotal Intangible Plant		\$ -	\$ -	\$ -	\$ -
6	Source of Supply Plant					
7	310.1 Water Rights	0.00%	-	-	-	-
8	310.3 Other Source of Supply Land	0.00%	-	-	-	-
9	310.4 Wells - Other	n/a	-	-	-	-
10	314 Wells	3.13%	387,563	403,946	16,383	513
11	Subtotal Source of Sup. Plant		\$ 387,563	\$ 403,946	\$ 16,383	\$ 513
12	Pumping Plant					
13	320 Pumping Plant Land	0.00%	-	-	-	-
14	321 Pumping Plant Struct. & Improv.	2.86%	104,397	80,966	(23,431)	(670)
15	325 Electric Pumping Equipment	5.88%	2,637,103	2,524,803	(112,300)	(6,603)
16	328 Gas Engine Equipment	4.00%	-	-	-	-
17	Subtotal Pumping Plant		\$ 2,741,500	\$ 2,605,769	\$ (135,731)	\$ (7,273)
18	Water Treatment Plant					
19	330 Water Treatment Plant Land	0.00%	-	-	-	-
20	331 Water Trtmt. Struct. & Improv.	2.50%	-	-	-	-
21	332 Water Treatment Equipment	2.86%	3,069,000	1,517,743	(1,551,257)	(44,366)
22	Subtotal Water Trtmt. Plant		\$ 3,069,000	\$ 1,517,743	\$ (1,551,257)	\$ (44,366)
23	Transmission & Distribution Plant					
24	340 Trans. and Dist. Land	0.00%	-	-	-	-
25	341 Transmission and Distribution Structur	3.33%	-	-	-	-
26	342 Storage Tanks	2.00%	70,000	79,622	9,622	192
27	343 Trans. & Dist. Mains	1.79%	1,977,574	1,843,750	(133,824)	(2,395)
28	344 Fire Sprinkler Taps	2.00%	-	-	-	-
29	345 Services	2.38%	280,000	111,075	(168,925)	(4,020)
30	346 Meters	4.55%	530,000	125,937	(404,063)	(18,385)
31	348 Hydrants	1.82%	20,000	5,783	(14,217)	(259)
32	Subtotal Trans. & Dist.		\$ 2,877,574	\$ 2,166,168	\$ (711,406)	\$ (24,867)
33	General Plant					
34	389 General Plant Land	0.00%	-	-	-	-
35	390 General Plant Structures	2.50%	-	6,073	6,073	152
36	390.1 Leasehold Improvements	n/a	-	-	-	-
37	391 Office Furniture & Equipment	6.67%	8,000	-	(8,000)	(534)
38	393 Warehouse Equipment	5.00%	-	-	-	-
39	394 Tools, Shop & Garage Equip.	4.00%	12,000	-	(12,000)	(480)
40	395 Laboratory Equipment	5.00%	-	-	-	-
41	396 Power Operated Equipment	6.67%	-	-	-	-
42	397 Communication Equipment	6.67%	27,000	19,377	(7,623)	(508)
43	398 Miscellaneous Equipment	3.33%	-	-	-	-
44	Subtotal General Plant		\$ 47,000	\$ 25,450	\$ (21,550)	\$ (1,370)
45	Total Utility Plant		\$ 9,122,637	\$ 6,719,076	\$ (2,403,561)	\$ (77,364)
46	Accumulated Depreciation (12-Year Convention)					\$ (38,682)
47	Net Plant					\$ (2,364,879)

Line No.	Description	White Tank		Adjstm't to Depreciation Expense
		(A) As Filed	(B) Settlement	
1	Intangible Plant			
2	301 Organization	0.00%	\$ -	\$ -
3	302 Franchises	n/a	-	-
4	303 Other Intangibles	n/a	-	-
5	Subtotal Intangible Plant		\$ -	\$ -
6	Source of Supply Plant			
7	310.1 Water Rights	0.00%	-	-
8	310.3 Other Source of Supply Land	0.00%	-	-
9	310.4 Wells - Other	n/a	-	-
10	314 Wells	3.13%	-	-
11	Subtotal Source of Sup. Plant		\$ -	\$ -
12	Pumping Plant			
13	320 Pumping Plant Land	0.00%	-	-
14	321 Pumping Plant Struct. & Improv.	2.86%	-	-
15	325 Electric Pumping Equipment	5.88%	12,000	(12,000)
16	328 Gas Engine Equipment	4.00%	-	-
17	Subtotal Pumping Plant		\$ 12,000	\$ (12,000)
18	Water Treatment Plant			
19	330 Water Treatment Plant Land	0.00%	-	-
20	331 Water Trtmt. Struct. & Improv.	2.50%	-	-
21	332 Water Treatment Equipment	2.86%	-	-
22	Subtotal Water Trtmt. Plant		\$ -	\$ -
23	Transmission & Distribution Plant			
24	340 Trans. and Dist. Land	0.00%	-	-
25	341 Transmission and Distribution Structur.	3.33%	-	-
26	342 Storage Tanks	2.00%	-	-
27	343 Trans. & Dist. Mains	1.79%	5,000	(5,000)
28	344 Fire Sprinkler Taps	2.00%	-	-
29	345 Services	2.38%	25,000	(25,000)
30	346 Meters	4.55%	38,800	(38,800)
31	348 Hydrants	1.82%	5,000	(5,000)
32	Subtotal Trans. & Dist.		\$ 73,800	\$ (73,800)
33	General Plant			
34	389 General Plant Land	0.00%	-	-
35	390 General Plant Structures	2.50%	-	-
36	390.1 Leasehold Improvements	n/a	-	-
37	391 Office Furniture & Equipment	6.67%	1,000	(1,000)
38	393 Warehouse Equipment	5.00%	-	-
39	394 Tools, Shop & Garage Equip.	4.00%	1,250	(1,250)
40	395 Laboratory Equipment	5.00%	-	-
41	396 Power Operated Equipment	6.67%	-	-
42	397 Communication Equipment	6.67%	-	-
43	398 Miscellaneous Equipment	6.67%	-	-
44	Subtotal General Plant		\$ 2,250	\$ (2,250)
45	Total Utility Plant		\$ 88,050	\$ (88,050)
46	Accumulated Depreciation (1/2-Year Convention)			
47				\$ (3,363)
48	Net Plant			\$ (1,682)
49				\$ (86,368)
50				
51				
52				
53				
54				
55				

**ARIZONA WATER COMPANY**  
 Test Year Ended December 31, 2014  
 Settlement Rate Base Adjustment No. 1 (continued)  
 True-Up Post-Test Year Plant to Reflect Actual Expenditures for Projects  
 Placed in Service as of Dec. 31, 2015, and Eliminate Blanket Projects

Line No.	Description	White Tank (Continued)				Adjstmt to Depreciation Expense
		[A] As Filed	[B] Settlement <sup>1</sup>	[C] Increase / (Decrease)	[D]	
		Depreciation Rate	Work Authorization 1-5032			
1	Intangible Plant					
2	301 Organization	0.00%	\$ -	\$ -	\$ -	
3	302 Franchises	n/a	-	-	-	
4	303 Other Intangibles	n/a	-	-	-	
5	Subtotal Intangible Plant		\$ -	\$ -	\$ -	
6	Source of Supply Plant					
7	310.1 Water Rights	0.00%	-	-	-	
8	310.3 Other Source of Supply Land	0.00%	-	-	-	
9	310.4 Wells - Other	n/a	-	-	-	
10	314 Wells	3.13%	-	-	-	
11	Subtotal Source of Sup. Plant		\$ -	\$ -	\$ -	
12	Pumping Plant					
13	320 Pumping Plant Land	0.00%	-	-	-	
14	321 Pumping Plant Struct. & Improv.	2.86%	-	-	-	
15	325 Electric Pumping Equipment	5.88%	-	8,855	8,855	521
16	328 Gas Engine Equipment	4.00%	-	-	-	
17	Subtotal Pumping Plant		\$ -	\$ 8,855	\$ 8,855	521
18	Water Treatment Plant					
19	330 Water Treatment Plant Land	0.00%	-	-	-	
20	331 Water Trtmt. Struct. & Improv.	2.50%	-	-	-	
21	332 Water Treatment Equipment	2.86%	-	-	-	
22	Subtotal Water Trtmt. Plant		\$ -	\$ -	\$ -	
23	Transmission & Distribution Plant					
24	340 Trans. and Dist. Land	0.00%	-	-	-	
25	341 Transmission and Distribution Structur	3.33%	-	-	-	
26	342 Storage Tanks	2.00%	-	-	-	
27	343 Trans. & Dist. Mains	1.79%	-	-	-	
28	344 Fire Sprinkler Taps	2.00%	-	-	-	
29	345 Services	2.38%	-	-	-	
30	346 Meters	4.55%	-	-	-	
31	348 Hydrants	1.82%	-	-	-	
32	Subtotal Trans. & Dist.		\$ -	\$ -	\$ -	
33	General Plant					
34	389 General Plant Land	0.00%	-	-	-	
35	390 General Plant Structures	2.50%	-	-	-	
36	390.1 Leasehold Improvements	n/a	-	-	-	
37	391 Office Furniture & Equipment	6.67%	-	-	-	
38	393 Warehouse Equipment	5.00%	-	-	-	
39	394 Tools, Shop & Garage Equip.	4.00%	-	-	-	
40	395 Laboratory Equipment	5.00%	-	-	-	
41	396 Power Operated Equipment	6.67%	-	-	-	
42	397 Communication Equipment	6.67%	327,000	336,310	9,310	621
43	398 Miscellaneous Equipment	3.33%	-	-	-	
44	Subtotal General Plant		\$ 327,000	\$ 336,310	\$ 9,310	621
45	Total Utility Plant		\$ 327,000	\$ 345,165	\$ 18,165	
46	Accumulated Depreciation (1/2-Year Convention)					
47	Net Plant					
48						\$ 571
49						\$ 17,594
50						
51						
52						
53						
54						
55						

<sup>1</sup>Updated costs provided in response to Staff data request BAB 8.1/RUCO data request 6 01.

**ARIZONA WATER COMPANY**  
Test Year Ended December 31, 2014  
Settlement Rate Base Adjustment No. 1 (continued)  
True-Up Post-Test Year Plant to Reflect Actual Expenditures for Projects  
Placed in Service as of Dec. 31, 2015, and Eliminate Blanket Projects

Line No.	Description	White Tank (Continued)				Adjstm't to Depreciation Expense
		(A) As Filed	(B) Settlement	(C) Increase / (Decrease)	(D)	
1	Intangible Plant					
2	301 Organization	0.00%	\$ -	\$ -	\$ -	
3	302 Franchises	n/a	-	-	-	
4	303 Other Intangibles	n/a	-	-	-	
5	Subtotal Intangible Plant		\$ -	\$ -	\$ -	
6	Source of Supply Plant					
7	310.1 Water Rights	0.00%	-	-	-	
8	310.3 Other Sources of Supply Land	0.00%	-	-	-	
9	310.4 Wells - Other	n/a	-	-	-	
10	314 Wells	3.13%	-	-	-	
11	Subtotal Source of Sup. Plant		\$ -	\$ -	\$ -	
12	Pumping Plant					
13	320 Pumping Plant Land	0.00%	-	-	-	
14	321 Pumping Plant Struct. & Improv.	2.86%	-	-	-	
15	325 Electric Pumping Equipment	5.88%	-	-	-	
16	328 Gas Engine Equipment	4.00%	-	-	-	
17	Subtotal Pumping Plant		\$ -	\$ -	\$ -	
18	Water Treatment Plant					
19	330 Water Treatment Plant Land	0.00%	-	-	-	
20	331 Water Trmt. Struct. & Improv.	2.50%	-	-	-	
21	332 Water Treatment Equipment	2.86%	54,000	54,187	187	
22	Subtotal Water Trmt. Plant		\$ 54,000	\$ 54,187	\$ 187	
23	Transmission & Distribution Plant					
24	340 Trans. and Dist. Land	0.00%	-	-	-	
25	341 Transmission and Distribution Structur	3.33%	-	-	-	
26	342 Storage Tanks	2.00%	-	-	-	
27	343 Trans. & Dist. Mains	1.79%	-	-	-	
28	344 Fire Sprinkler Taps	2.00%	-	-	-	
29	345 Services	2.38%	-	-	-	
30	346 Meters	4.55%	-	-	-	
31	348 Hydrants	1.82%	-	-	-	
32	Subtotal Trans. & Dist.		\$ -	\$ -	\$ -	
33	General Plant					
34	389 General Plant Land	0.00%	-	-	-	
35	390 General Plant Structures	2.50%	-	-	-	
36	390.1 Leasehold Improvements	n/a	-	-	-	
37	391 Office Furniture & Equipment	6.67%	-	-	-	
38	393 Warehouse Equipment	5.00%	-	-	-	
39	394 Tools, Shop & Garage Equip.	4.00%	-	-	-	
40	395 Laboratory Equipment	5.00%	-	-	-	
41	396 Power Operated Equipment	6.67%	-	-	-	
42	397 Communication Equipment	6.67%	-	-	-	
43	398 Miscellaneous Equipment	3.33%	-	-	-	
44	Subtotal General Plant		\$ -	\$ -	\$ -	
45	Total Utility Plant		\$ 54,000	\$ 54,187	\$ 187	
46	Accumulated Depreciation (1/2-Year Convention)					
47	Net Plant		\$ -	\$ -	\$ 184	

\*Updated costs provided in response to Staff data request BAB 8.1/RUCO data request 6.01.

**ARIZONA WATER COMPANY**  
 Test Year Ended December 31, 2014  
 Settlement Rate Base Adjustment No. 1 (continued)  
 True-Up Post-Test Year Plant to Reflect Actual Expenditures for Projects  
 Placed in Service as of Dec. 31, 2015, and Eliminate Blanket Projects

Line No.	Description	White Tank (Continued)			Adjmt' to Depreciation Expense
		[A] Depreciation Rate	[B] As Filed	[C] Settlement <sup>1</sup> / Increase / (Decrease)	
1	Intangible Plant				
2	301 Organization	0.00%	\$ -	\$ -	\$ -
3	302 Franchises	n/a	-	-	-
4	303 Other Intangibles	n/a	-	-	-
5	Subtotal Intangible Plant		\$ -	\$ -	\$ -
6	Source of Supply Plant				
7	310.1 Water Rights	0.00%	-	-	-
8	310.3 Other Source of Supply Land	0.00%	-	-	-
9	310.4 Wells - Other	n/a	-	-	-
10	314 Wells	3.13%	-	-	-
11	Subtotal Source of Sup. Plant		\$ -	\$ -	\$ -
12	Pumping Plant				
13	320 Pumping Plant Land	0.00%	-	-	-
14	321 Pumping Plant Struct. & Improv.	2.86%	-	-	-
15	325 Electric Pumping Equipment	5.88%	-	-	-
16	328 Gas Engine Equipment	4.00%	-	-	-
17	Subtotal Pumping Plant		\$ -	\$ -	\$ -
18	Water Treatment Plant				
19	330 Water Treatment Plant Land	0.00%	-	-	-
20	331 Water Trtmt. Struct. & Improv.	2.50%	-	-	-
21	332 Water Treatment Equipment	2.86%	-	-	-
22	Subtotal Water Trtmt. Plant		\$ -	\$ -	\$ -
23	Transmission & Distribution Plant				
24	340 Trans. and Dist. Land	0.00%	-	-	-
25	341 Transmission and Distribution Structur.	3.33%	-	-	-
26	342 Storage Tanks	2.00%	-	-	-
27	343 Trans. & Dist. Mains	1.79%	52,000	5,524	99
28	344 Fire Sprinkler Taps	2.00%	-	-	-
29	345 Services	2.38%	-	-	-
30	346 Meters	4.55%	-	-	-
31	348 Hydrants	1.82%	-	-	-
32	Subtotal Trans. & Dist. General Plant		\$ 52,000	\$ 5,524	\$ 99
33	General Plant				
34	389 General Plant Land	0.00%	-	-	-
35	390 General Plant Structures	2.50%	-	-	-
36	390.1 Leasehold Improvements	n/a	-	-	-
37	391 Office Furniture & Equipment	6.67%	-	-	-
38	393 Warehouse Equipment	5.00%	-	-	-
39	394 Tools, Shop & Garage Equip.	4.00%	-	-	-
40	395 Laboratory Equipment	5.00%	-	-	-
41	396 Power Operated Equipment	6.67%	-	-	-
42	397 Communication Equipment	6.67%	-	-	-
43	398 Miscellaneous Equipment	3.33%	-	-	-
44	Subtotal General Plant		\$ -	\$ -	\$ -
45	Total Utility Plant		\$ 52,000	\$ 5,524	\$ 99
46	Accumulated Depreciation (1/2-Year Convention)		\$ 57,524	\$ 5,524	\$ 49
47	Net Plant		\$ -	\$ -	\$ 5,475

<sup>1</sup>Updated costs provided in response to Staff data request BAB 8.1/RUCO data request 6.01.

Line No.	Description	White Tank (Continued)				Adjstm't to Depreciation Expense
		[A] Depreciation Rate	[B] As Filed	[C] Settlement <sup>1</sup>	[D] Increase / (Decrease)	
1	Intangible Plant					
2	301 Organization	0.00%	\$ -	\$ -	\$ -	
3	302 Franchises	n/a	-	-	-	
4	303 Other Intangibles	n/a	-	-	-	
5	Subtotal Intangible Plant		\$ -	\$ -	\$ -	
6	Source of Supply Plant					
7	310.1 Water Rights	0.00%	-	-	-	
8	310.3 Other Source of Supply Land	0.00%	-	-	-	
9	310.4 Wells - Other	n/a	-	-	-	
10	314 Wells	3.13%	-	-	-	
11	Subtotal Source of Sup. Plant		\$ -	\$ -	\$ -	
12	Pumping Plant					
13	320 Pumping Plant Land	0.00%	-	-	-	
14	321 Pumping Plant Struct. & Improv.	2.86%	-	-	-	
15	325 Electric Pumping Equipment	5.88%	-	-	-	
16	328 Gas Engine Equipment	4.00%	-	-	-	
17	Subtotal Pumping Plant		\$ -	\$ -	\$ -	
18	Water Treatment Plant					
19	330 Water Treatment Plant Land	0.00%	-	-	-	
20	331 Water Trmt. Struct. & Improv.	2.50%	-	-	-	
21	332 Water Treatment Equipment	2.86%	-	-	-	
22	Subtotal Water Trmt. Plant		\$ -	\$ -	\$ -	
23	Transmission & Distribution Plant					
24	340 Trans. and Dist. Land	0.00%	-	-	-	
25	341 Transmission and Distribution Structur	3.33%	-	-	-	
26	342 Storage Tanks	2.00%	-	-	-	
27	343 Trans. & Dist. Mains	1.79%	20,000	18,004	(1,996)	(36)
28	344 Fire Sprinkler Taps	2.00%	-	-	-	
29	345 Services	2.38%	-	-	-	
30	346 Meters	4.55%	-	-	-	
31	348 Hydrants	1.82%	-	-	-	
32	Subtotal Trans. & Dist.		\$ 20,000	\$ 18,004	\$ (1,996)	(36)
33	General Plant					
34	389 General Plant Land	0.00%	-	-	-	
35	390 General Plant Structures	2.50%	-	-	-	
36	390.1 Leasehold Improvements	n/a	-	-	-	
37	391 Office Furniture & Equipment	6.67%	-	-	-	
38	393 Warehouse Equipment	5.00%	-	-	-	
39	394 Tools, Shop & Garage Equip.	4.00%	-	-	-	
40	395 Laboratory Equipment	5.00%	-	-	-	
41	396 Power Operated Equipment	6.67%	-	-	-	
42	397 Communication Equipment	6.67%	-	-	-	
43	398 Miscellaneous Equipment	3.33%	-	-	-	
44	Subtotal General Plant		\$ -	\$ -	\$ -	
45	46					
46	46					
47	47					
48	48					
49	49					
50	50					
51	51					
52	52					
53	53					
54	54					
55	55					
	Total Utility Plant		\$ 20,000	\$ 18,004	\$ (1,996)	(36)
	Accumulated Depreciation (12-Year Convention)					(18)
	Net Plant					(1,978)

<sup>1</sup>Updated costs provided in response to Staff data request BAB 8.1/RUCO data request 6.01.

**ARIZONA WATER COMPANY**  
Test Year Ended December 31, 2014  
Settlement Rate Base Adjustment No. 1 (continued)  
True-Up Post-Test Year Plant to Reflect Actual Expenditures for Projects  
Placed in Service as of Dec. 31, 2015, and Eliminate Blanket Projects

Line No.	Description	White Tank - Total				Adjstmt to Depreciation Expense
		[A] Depreciation Rate	[B] Total - All Post-T.Y. Plant As Filed	[C] Settlement	[D] Increase / (Decrease)	
1	Intangible Plant					
2	301 Organization	0.00%	\$ -	\$ -	\$ -	
3	302 Franchises	n/a	-	-	-	
4	303 Other Intangibles	n/a	-	-	-	
5	Subtotal Intangible Plant		\$ -	\$ -	\$ -	
6	Source of Supply Plant					
7	310.1 Water Rights	0.00%	-	-	-	
8	310.3 Other Source of Supply Land	0.00%	-	-	-	
9	310.4 Wells - Other	n/a	-	-	-	
10	314 Wells	3.13%	-	-	-	
11	Subtotal Source of Sup. Plant		\$ -	\$ -	\$ -	
12	Pumping Plant					
13	320 Pumping Plant Land	0.00%	-	-	-	
14	321 Pumping Plant Struct. & Improv.	2.86%	-	-	-	
15	325 Electric Pumping Equipment	5.88%	12,000	8,855	(3,145)	(185)
16	328 Gas Engine Equipment	4.00%	-	-	-	
17	Subtotal Pumping Plant		\$ 12,000	\$ 8,855	\$ (3,145)	(185)
18	Water Treatment Plant					
19	330 Water Treatment Plant Land	0.00%	-	-	-	
20	331 Water Trtmt. Struct. & Improv.	2.50%	-	-	-	
21	332 Water Treatment Equipment	2.86%	54,000	54,187	187	5
22	Subtotal Water Trtmt. Plant		\$ 54,000	\$ 54,187	\$ 187	5
23	Transmission & Distribution Plant					
24	340 Trans. and Dist. Land	0.00%	-	-	-	
25	341 Transmission and Distribution Structur	3.33%	-	-	-	
26	342 Storage Tanks	2.00%	-	-	-	
27	343 Trans. & Dist. Mains	1.79%	77,000	75,529	(1,471)	(26)
28	344 Fire Sprinkler Taps	2.00%	-	-	-	
29	345 Services	2.38%	25,000	-	(25,000)	(595)
30	346 Meters	4.55%	38,800	-	(38,800)	(1,765)
31	348 Hydrants	1.82%	5,000	-	(5,000)	(91)
32	Subtotal Trans. & Dist.		\$ 145,800	\$ 75,529	\$ (70,271)	(2,478)
33	General Plant					
34	389 General Plant Land	0.00%	-	-	-	
35	390 General Plant Structures	2.50%	-	-	-	
36	390.1 Leasehold Improvements	n/a	-	-	-	
37	391 Office Furniture & Equipment	6.67%	1,000	-	(1,000)	(67)
38	393 Warehouse Equipment	5.00%	-	-	-	
39	394 Tools, Shop & Garage Equip.	4.00%	1,250	-	(1,250)	(50)
40	395 Laboratory Equipment	5.00%	-	-	-	
41	396 Power Operated Equipment	6.67%	-	-	-	
42	397 Communication Equipment	6.67%	327,000	336,310	9,310	621
43	398 Miscellaneous Equipment	3.33%	-	-	-	
44	Subtotal General Plant		\$ 329,250	\$ 336,310	\$ 7,060	504
45	Total Utility Plant		\$ 541,050	\$ 474,880	\$ (66,170)	(2,153)
46	Accumulated Depreciation (1/2-Year Convention)					(1,077)
47	Net Plant					(65,093)

**ARIZONA WATER COMPANY**  
Test Year Ended December 31, 2014  
Settlement Rate Base Adjustment No. 1 (continued)  
True-Up Post-Test Year Plant to Reflect Actual Expenditures for Projects  
Placed in Service as of Dec. 31, 2015, and Eliminate Blanket Projects

Line No.	Description	Depreciation Rate	As Filed		Blankets Settlement		Increase / (Decrease)	Adjstm't to Depreciation Expense
			(A)	(B)	(C)	(D)		
1	Intangible Plant	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	301 Organization	n/a	-	-	-	-	-	-
3	302 Franchises	n/a	-	-	-	-	-	-
4	303 Other Intangibles	n/a	-	-	-	-	-	-
5	Subtotal Intangible Plant		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6	Source of Supply Plant							
7	310.1 Water Rights	0.00%	-	-	-	-	-	-
8	310.3 Other Source of Supply Land	0.00%	-	-	-	-	-	-
9	310.4 Wells - Other	n/a	-	-	-	-	-	-
10	314 Wells	3.13%	-	-	-	-	-	-
11	Subtotal Source of Sup. Plant		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
12	Pumping Plant							
13	320 Pumping Plant Land	0.00%	-	-	-	-	-	-
14	321 Pumping Plant Struct. & Improv.	2.86%	-	-	-	-	-	-
15	325 Electric Pumping Equipment	5.88%	-	-	-	-	-	-
16	328 Gas Engine Equipment	4.00%	-	-	-	-	-	-
17	Subtotal Pumping Plant		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
18	Water Treatment Plant							
19	330 Water Treatment Plant Land	0.00%	-	-	-	-	-	-
20	331 Water Trtmt. Struct. & Improv.	2.50%	-	\$ -	-	-	-	-
21	332 Water Treatment Equipment	2.86%	-	-	-	-	-	-
22	Subtotal Water Trtmt. Plant		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
23	Transmission & Distribution Plant							
24	340 Trans. and Dist. Land	0.00%	-	-	-	-	-	-
25	341 Transmission and Distribution Structure	3.33%	-	-	-	-	-	-
26	342 Storage Tanks	2.00%	-	-	-	-	-	-
27	343 Trans. & Dist. Mains	1.79%	2,000	-	-	(2,000)	(36)	
28	344 Fire Sprinkler Taps	2.00%	-	-	-	-	-	-
29	345 Services	2.38%	5,000	-	-	(5,000)	(119)	
30	346 Meters	4.55%	4,200	-	-	(4,200)	(191)	
31	348 Hydrants	1.82%	-	-	-	-	-	-
32	Subtotal Trans. & Dist.		\$ 11,200	\$ -	\$ -	\$ (11,200)	\$ (346)	
33	General Plant							
34	389 General Plant Land	0.00%	-	-	-	-	-	-
35	390 General Plant Structures	2.50%	-	-	-	-	-	-
36	390.1 Leasehold Improvements	n/a	-	-	-	-	-	-
37	391 Office Furniture & Equipment	6.67%	200	-	-	(200)	(13)	
38	393 Warehouse Equipment	5.00%	-	-	-	-	-	-
39	394 Tools, Shop & Garage Equip.	4.00%	250	-	-	(250)	(10)	
40	395 Laboratory Equipment	5.00%	-	-	-	-	-	-
41	396 Power Operated Equipment	6.67%	-	-	-	-	-	-
42	397 Communication Equipment	6.67%	-	-	-	-	-	-
43	398 Miscellaneous Equipment	3.33%	-	-	-	-	-	-
44	Subtotal General Plant		\$ 450	\$ -	\$ (450)	\$ -	\$ (23)	
45	Total Utility Plant		\$ 11,650	\$ -	\$ (11,650)	\$ -	\$ (369)	
46	Accumulated Depreciation (12-Year Convention)						\$ (185)	
47	Net Plant						\$ (11,465)	

Line No.	Description	Phoenix Office				Adjstmt to Depreciation Expense
		(A) As Filed	(B) Settlement	(C) Increase / (Decrease)	(D)	
1	Intangible Plant					
2	301 Organization	0.00%	\$ -	\$ -	\$ -	
3	302 Franchises	n/a	-	-	-	
4	303 Other Intangibles	n/a	-	-	-	
5	Subtotal Intangible Plant		\$ -	\$ -	\$ -	
6	Source of Supply Plant					
7	310.1 Water Rights	0.00%	-	-	-	
8	310.3 Other Source of Supply Land	0.00%	-	-	-	
9	310.4 Wells - Other	n/a	-	-	-	
10	314 Wells	3.13%	-	-	-	
11	Subtotal Source of Sup. Plant		\$ -	\$ -	\$ -	
12	Pumping Plant					
13	320 Pumping Plant Land	0.00%	-	-	-	
14	321 Pumping Plant Struct. & Improv.	2.86%	-	-	-	
15	325 Electric Pumping Equipment	5.88%	-	-	-	
16	328 Gas Engine Equipment	4.00%	-	-	-	
17	Subtotal Pumping Plant		\$ -	\$ -	\$ -	
18	Water Treatment Plant					
19	330 Water Treatment Plant Land	0.00%	-	-	-	
20	331 Water Trtmt. Struct. & Improv.	2.50%	-	-	-	
21	332 Water Treatment Equipment	2.86%	-	-	-	
22	Subtotal Water Trtmt. Plant		\$ -	\$ -	\$ -	
23	Transmission & Distribution Plant					
24	340 Trans. and Dist. Land	0.00%	-	-	-	
25	341 Transmission and Distribution Structure	3.33%	-	-	-	
26	342 Storage Tanks	2.00%	-	-	-	
27	343 Trans. & Dist. Mains	1.79%	-	-	-	
28	344 Fire Sprinkler Taps	2.00%	-	-	-	
29	345 Services	2.38%	-	-	-	
30	346 Meters	4.55%	-	-	-	
31	348 Hydrants	1.82%	-	-	-	
32	Subtotal Trans. & Dist.		\$ -	\$ -	\$ -	
33	General Plant					
34	389 General Plant Land	0.00%	-	-	-	
35	390 General Plant Structures	2.50%	-	-	-	
36	390.1 Leasehold Improvements	n/a	-	-	-	
37	391 Office Furniture & Equipment	6.67%	52,000	(52,000)	(3,468)	
38	393 Warehouse Equipment	5.00%	-	-	-	
39	394 Tools, Shop & Garage Equip.	4.00%	-	-	-	
40	395 Laboratory Equipment	5.00%	-	-	-	
41	396 Power Operated Equipment	6.67%	-	-	-	
42	397 Communication Equipment	6.67%	-	-	-	
43	398 Miscellaneous Equipment	3.33%	-	-	-	
44	Subtotal General Plant		\$ 52,000	\$ (52,000)	\$ (3,468)	
45	Total Utility Plant		\$ 52,000	\$ (52,000)	\$ (3,468)	
46	Accumulated Depreciation (1/2-Year Convention)				\$ (1,734)	
47	Net Plant				\$ (50,266)	

**ARIZONA WATER COMPANY**  
Test Year Ended December 31, 2014  
Settlement Rate Base Adjustment No. 1 (continued)  
True-Up Post-Test Year Plant to Reflect Actual Expenditures for Projects  
Placed in Service as of Dec. 31, 2015, and Eliminate Blanket Projects

Line No.	Description	Phoenix Office (Continued)			Adjustm't to Depreciation Expense
		[A] As Filed	[B] Settlement <sup>1</sup>	[C] Increase / (Decrease)	
		Depreciation Rate	Work Authorization 1-5324		
1	Intangible Plant				
2	301 Organization	0.00%	\$ -	-	\$ -
3	302 Franchises	n/a	-	-	-
4	303 Other Intangibles	n/a	-	-	-
5	Subtotal Intangible Plant		\$ -	-	\$ -
6	Source of Supply Plant				
7	310.1 Water Rights	0.00%	-	-	-
8	310.3 Other Source of Supply Land	0.00%	-	-	-
9	310.4 Wells - Other	n/a	-	-	-
10	314 Wells	3.13%	-	-	-
11	Subtotal Source of Sup. Plant		\$ -	-	\$ -
12	Pumping Plant				
13	320 Pumping Plant Land	0.00%	-	-	-
14	321 Pumping Plant Struct. & Improv.	2.86%	-	-	-
15	325 Electric Pumping Equipment	5.88%	-	-	-
16	328 Gas Engine Equipment	4.00%	-	-	-
17	Subtotal Pumping Plant		\$ -	-	\$ -
18	Water Treatment Plant				
19	330 Water Treatment Plant Land	0.00%	-	-	-
20	331 Water Trmt. Struct. & Improv.	2.50%	-	-	-
21	332 Water Treatment Equipment	2.86%	-	-	-
22	Subtotal Water Trmt. Plant		\$ -	-	\$ -
23	Transmission & Distribution Plant				
24	340 Trans. and Dist. Land	0.00%	-	-	-
25	341 Transmission and Distribution Structur	3.33%	-	-	-
26	342 Storage Tanks	2.00%	-	-	-
27	343 Trans. & Dist. Mains	1.79%	-	-	-
28	344 Fire Sprinkler Taps	2.00%	-	-	-
29	345 Services	2.38%	-	-	-
30	346 Meters	4.55%	-	-	-
31	348 Hydrants	1.82%	-	-	-
32	Subtotal Trans. & Dist. General Plant		\$ -	-	\$ -
33	General Plant				
34	389 General Plant Land	0.00%	-	-	-
35	390 General Plant Structures	2.50%	-	-	-
36	390.1 Leasehold Improvements	n/a	-	-	-
37	391 Office Furniture & Equipment	6.67%	-	-	-
38	393 Warehouse Equipment	5.00%	-	-	-
39	394 Tools, Shop & Garage Equip.	4.00%	-	-	-
40	395 Laboratory Equipment	5.00%	-	-	-
41	396 Power Operated Equipment	6.67%	-	-	-
42	397 Communication Equipment	6.67%	85,000	(85,000)	(5,670)
43	398 Miscellaneous Equipment	3.33%	-	-	-
44	Subtotal General Plant		\$ 85,000	-\$ (85,000)	\$ (5,670)
45	Total Utility Plant		\$ 85,000	-\$ (85,000)	\$ (5,670)
46	Accumulated Depreciation (1/2-Year Convention)		\$ -	\$ -	\$ (2,835)
47	Net Plant		\$ -	\$ -	\$ (82,165)

<sup>1</sup>Updated costs provided in response to Staff data request BAB 8.1/RUCO data request 6.01.

**ARIZONA WATER COMPANY**  
Test Year Ended December 31, 2014  
Settlement Rate Base Adjustment No. 1 (continued)  
True-Up Post-Test Year Plant to Reflect Actual Expenditures for Projects  
Placed in Service as of Dec. 31, 2015, and Eliminate Blanket Projects

Line No.	Description	Phoenix Office (Continued)			Adjstmt' to Depreciation Expense
		[A] As Filed	[B] Settlement <sup>1</sup>	[C] Increase / (Decrease)	
1	Intangible Plant				
2	301 Organization	0.00%	\$ -	\$ -	\$ -
3	302 Franchises	n/a	-	-	-
4	303 Other Intangibles	n/a	-	-	-
5	Subtotal Intangible Plant		\$ -	\$ -	\$ -
6	Source of Supply Plant				
7	310.1 Water Rights	0.00%	-	-	-
8	310.3 Other Source of Supply Land	0.00%	-	-	-
9	310.4 Wells - Other	n/a	-	-	-
10	314 Wells	3.13%	-	-	-
11	Subtotal Source of Sup. Plant		\$ -	\$ -	\$ -
12	Pumping Plant				
13	320 Pumping Plant Land	0.00%	-	-	-
14	321 Pumping Plant Struct. & Improv.	2.86%	-	-	-
15	325 Electric Pumping Equipment	5.88%	-	-	-
16	328 Gas Engine Equipment	4.00%	-	-	-
17	Subtotal Pumping Plant		\$ -	\$ -	\$ -
18	Water Treatment Plant				
19	330 Water Treatment Plant Land	0.00%	-	-	-
20	331 Water Trtmt. Struct. & Improv.	2.50%	-	-	-
21	332 Water Treatment Equipment	2.86%	-	-	-
22	Subtotal Water Trtmt. Plant		\$ -	\$ -	\$ -
23	Transmission & Distribution Plant				
24	340 Trans. and Dist. Land	0.00%	-	-	-
25	341 Transmission and Distribution Structur	3.33%	-	-	-
26	342 Storage Tanks	2.00%	-	-	-
27	343 Trans. & Dist. Mains	1.79%	-	-	-
28	344 Fire Sprinkler Taps	2.00%	-	-	-
29	345 Services	2.38%	-	-	-
30	346 Meters	4.55%	-	-	-
31	348 Hydrants	1.82%	-	-	-
32	Subtotal Trans. & Dist. General Plant		\$ -	\$ -	\$ -
33	General Plant				
34	389 General Plant Land	0.00%	-	-	-
35	390 General Plant Structures	2.50%	-	-	-
36	390.1 Leasehold Improvements	n/a	31,000	(31,000)	-
37	391 Office Furniture & Equipment	6.67%	-	-	-
38	393 Warehouse Equipment	5.00%	-	-	-
39	394 Tools, Shop & Garage Equip.	4.00%	-	-	-
40	395 Laboratory Equipment	5.00%	-	-	-
41	396 Power Operated Equipment	6.67%	-	-	-
42	397 Communication Equipment	6.67%	-	-	-
43	398 Miscellaneous Equipment	3.33%	-	-	-
44	Subtotal General Plant		\$ 31,000	\$ (31,000)	\$ -
45	Total Utility Plant		\$ 31,000	\$ (31,000)	\$ -
46	Accumulated Depreciation (1/2-Year Convention)				\$ -
47	Net Plant				\$ (31,000)

<sup>1</sup>Updated costs provided in response to Staff data request BAB 8.1/RUCO data request 6.01.

**ARIZONA WATER COMPANY**  
Test Year Ended December 31, 2014  
Settlement Rate Base Adjustment No. 1 (continued)  
True-Up Post-Test Year Plant to Reflect Actual Expenditures for Projects  
Placed in Service as of Dec. 31, 2015, and Eliminate Blanket Projects

Line No.	Description	Phoenix Office (Continued)			Adjstmt to Depreciation Expense
		[A] Depreciation Rate	[B] Work Authorization 1-5326 As Filed Settlement <sup>1</sup>	[C] Increase / (Decrease)	
1	Intangible Plant				
2	301 Organization	0.00%	\$ -	\$ -	\$ -
3	302 Franchises	n/a	-	-	-
4	303 Other Intangibles	n/a	-	-	-
5	Subtotal Intangible Plant		\$ -	\$ -	\$ -
6	Source of Supply Plant				
7	310.1 Water Rights	0.00%	-	-	-
8	310.3 Other Source of Supply Land	0.00%	-	-	-
9	310.4 Wells - Other	n/a	-	-	-
10	314 Wells	3.13%	-	-	-
11	Subtotal Source of Sup. Plant		\$ -	\$ -	\$ -
12	Pumping Plant				
13	320 Pumping Plant Land	0.00%	-	-	-
14	321 Pumping Plant Struct. & Improv.	2.86%	-	-	-
15	325 Electric Pumping Equipment	5.88%	-	-	-
16	328 Gas Engine Equipment	4.00%	-	-	-
17	Subtotal Pumping Plant		\$ -	\$ -	\$ -
18	Water Treatment Plant				
19	330 Water Treatment Plant Land	0.00%	-	-	-
20	331 Water Trtmt. Struct. & Improv.	2.50%	-	-	-
21	332 Water Treatment Equipment	2.86%	-	-	-
22	Subtotal Water Trtmt. Plant		\$ -	\$ -	\$ -
23	Transmission & Distribution Plant				
24	340 Trans. and Dist. Land	0.00%	-	-	-
25	341 Transmission and Distribution Structur	3.33%	-	-	-
26	342 Storage Tanks	2.00%	-	-	-
27	343 Trans. & Dist. Mains	1.79%	-	-	-
28	344 Fire Sprinkler Taps	2.00%	-	-	-
29	345 Services	2.38%	-	-	-
30	346 Meters	4.55%	-	-	-
31	348 Hydrants	1.82%	-	-	-
32	Subtotal Trans. & Dist.		\$ -	\$ -	\$ -
33	General Plant				
34	389 General Plant Land	0.00%	-	-	-
35	390 General Plant Structures	2.50%	-	-	-
36	390.1 Leasehold Improvements	n/a	-	-	-
37	391 Office Furniture & Equipment	6.67%	14,000	25,444	763
38	393 Warehouse Equipment	5.00%	-	-	-
39	394 Tools, Shop & Garage Equip.	4.00%	-	-	-
40	395 Laboratory Equipment	5.00%	-	-	-
41	396 Power Operated Equipment	6.67%	-	-	-
42	397 Communication Equipment	6.67%	-	-	-
43	398 Miscellaneous Equipment	3.33%	-	-	-
44	Subtotal General Plant		\$ 14,000	\$ 25,444	\$ 11,444
45	Total Utility Plant		\$ 14,000	\$ 25,444	\$ 11,444
46	Accumulated Depreciation (1/2-Year Convention)				
47					
48					
49					
50					
51	Net Plant				\$ 382
52					
53					
54					
55					\$ 11,062

<sup>1</sup>Updated costs provided in response to Staff data request BAB 8.1/RUCO data request 6.01.

Line No.	Description	Phoenix Office (Continued)			Adjustm't to Depreciation Expense
		(A)	(B)	(C)	
		Depreciation Rate	Work Authorization 1-5327 As Filed	Settlement' Increase / (Decrease)	
1	Intangible Plant				
2	301 Organization	0.00%	\$ -	\$ -	\$ -
3	302 Franchises	n/a	-	-	-
4	303 Other Intangibles	n/a	-	-	-
5	Subtotal Intangible Plant		\$ -	\$ -	\$ -
6	Source of Supply Plant				
7	310.1 Water Rights	0.00%	-	-	-
8	310.3 Other Source of Supply Land	0.00%	-	-	-
9	310.4 Wells - Other	n/a	-	-	-
10	314 Wells	3.13%	-	-	-
11	Subtotal Source of Sup. Plant		\$ -	\$ -	\$ -
12	Pumping Plant				
13	320 Pumping Plant Land	0.00%	-	-	-
14	321 Pumping Plant Struct. & Improv.	2.86%	-	-	-
15	325 Electric Pumping Equipment	5.88%	-	-	-
16	328 Gas Engine Equipment	4.00%	-	-	-
17	Subtotal Pumping Plant		\$ -	\$ -	\$ -
18	Water Treatment Plant				
19	330 Water Treatment Plant Land	0.00%	-	-	-
20	331 Water Trtmt. Struct. & Improv.	2.50%	-	-	-
21	332 Water Treatment Equipment	2.86%	-	-	-
22	Subtotal Water Trtmt. Plant		\$ -	\$ -	\$ -
23	Transmission & Distribution Plant				
24	340 Trans. and Dist. Land	0.00%	-	-	-
25	341 Transmission and Distribution Structur.	3.33%	-	-	-
26	342 Storage Tanks	2.00%	-	-	-
27	343 Trans. & Dist. Mains	1.79%	-	-	-
28	344 Fire Sprinkler Taps	2.00%	-	-	-
29	345 Services	2.38%	-	-	-
30	346 Meters	4.55%	-	-	-
31	348 Hydrants	1.82%	-	-	-
32	Subtotal Trans. & Dist.		\$ -	\$ -	\$ -
33	General Plant				
34	389 General Plant Land	0.00%	-	-	-
35	390 General Plant Structures	2.50%	-	-	-
36	390.1 Leasehold Improvements	n/a	-	-	-
37	391 Office Furniture & Equipment	6.67%	-	-	-
38	393 Warehouse Equipment	5.00%	-	-	-
39	394 Tools, Shop & Garage Equip.	4.00%	-	-	-
40	395 Laboratory Equipment	5.00%	-	-	-
41	396 Power Operated Equipment	6.67%	-	-	-
42	397 Communication Equipment	6.67%	-	-	-
43	398 Miscellaneous Equipment	3.33%	20,000	(20,000)	(666)
44	Subtotal General Plant		\$ 20,000	\$ (20,000)	\$ (666)
45	Total Utility Plant		\$ 20,000	\$ (20,000)	\$ (666)
46	Accumulated Depreciation (1/2-Year Convention)		\$ -	\$ (20,000)	\$ (666)
47	Net Plant		\$ -	\$ (20,000)	\$ (333)
48					
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\*Updated costs provided in response to Staff data request BAB 8.1/RUCO data request 6.01.

Line No.	Description	Depreciation Rate	Phoenix Office - Total			Adjst't to Depreciation Expense
			[A] As Filed	[B] Total - All Post-T. Y. Plant Settlement	[C] Increase / (Decrease)	
1	Intangible Plant					
2	301 Organization	0.00%	\$ -	\$ -		\$ -
3	302 Franchises	n/a	-	-		-
4	303 Other Intangibles	n/a	-	-		-
5	Subtotal Intangible Plant		\$ -	\$ -		\$ -
6	Source of Supply Plant					
7	310.1 Water Rights	0.00%	-	-		-
8	310.3 Other Source of Supply Land	0.00%	-	-		-
9	310.4 Wells - Other	n/a	-	-		-
10	314 Wells	3.13%	-	-		-
11	Subtotal Source of Sup. Plant		\$ -	\$ -		\$ -
12	Pumping Plant					
13	320 Pumping Plant Land	0.00%	-	-		-
14	321 Pumping Plant Struct. & Improv.	2.86%	-	-		-
15	325 Electric Pumping Equipment	5.88%	-	-		-
16	328 Gas Engine Equipment	4.00%	-	-		-
17	Subtotal Pumping Plant		\$ -	\$ -		\$ -
18	Water Treatment Plant					
19	330 Water Treatment Plant Land	0.00%	-	-		-
20	331 Water Trtmt. Struct. & Improv.	2.50%	-	-		-
21	332 Water Treatment Equipment	2.86%	-	-		-
22	Subtotal Water Trtmt. Plant		\$ -	\$ -		\$ -
23	Transmission & Distribution Plant					
24	340 Trans. and Dist. Land	0.00%	-	-		-
25	341 Transmission and Distribution Structur	3.33%	-	-		-
26	342 Storage Tanks	2.00%	-	-		-
27	343 Trans. & Dist. Mains	1.79%	-	-		-
28	344 Fire Sprinkler Taps	2.00%	-	-		-
29	345 Services	2.38%	-	-		-
30	346 Meters	4.55%	-	-		-
31	348 Hydrants	1.82%	-	-		-
32	Subtotal Trans. & Dist.		\$ -	\$ -		\$ -
33	General Plant					
34	389 General Plant Land	0.00%	-	-		-
35	390 General Plant Structures	2.50%	-	-		-
36	390.1 Leasehold Improvements	n/a	31,000	-	(31,000)	-
37	391 Office Furniture & Equipment	6.67%	66,000	25,444	(40,556)	(2,705)
38	393 Warehouse Equipment	5.00%	-	-		-
39	394 Tools, Shop & Garage Equip.	4.00%	-	-		-
40	395 Laboratory Equipment	5.00%	-	-		-
41	396 Power Operated Equipment	6.67%	-	-		-
42	397 Communication Equipment	6.67%	85,000	-	(85,000)	(5,670)
43	398 Miscellaneous Equipment	3.33%	20,000	-	(20,000)	(666)
44	Subtotal General Plant		\$ 202,000	\$ 25,444	\$ (176,556)	\$ (9,041)
45	Total Utility Plant		\$ 202,000	\$ 25,444	\$ (176,556)	\$ (9,041)
46	Accumulated Depreciation (1/2-Year Convention)					\$ (4,520)
47	Net Plant					\$ (172,036)

**ARIZONA WATER COMPANY**  
Test Year Ended December 31, 2014  
Settlement Rate Base Adjustment No. 1 (continued)  
True-Up Post-Test Year Plant to Reflect Actual Expenditures for Projects  
Placed in Service as of Dec. 31, 2015, and Eliminate Blanket Projects

Line No.	Description	Depreciation Rate	Meter Shop		Adjustmt' to Depreciation Expense
			[A] As Filed	[B] Settlement	
1	Intangible Plant	0.00%	\$ -	\$ -	\$ -
2	301 Organization	n/a	\$ -	\$ -	\$ -
3	302 Franchises	n/a	\$ -	\$ -	\$ -
4	303 Other Intangibles	n/a	\$ -	\$ -	\$ -
5	Subtotal Intangible Plant		\$ -	\$ -	\$ -
6	Source of Supply Plant				
7	310.1 Water Rights	0.00%	-	-	-
8	310.3 Other Source of Supply Land	0.00%	-	-	-
9	310.4 Wells - Other	n/a	-	-	-
10	314 Wells	3.13%	-	-	-
11	Subtotal Source of Sup. Plant		\$ -	\$ -	\$ -
12	Pumping Plant				
13	320 Pumping Plant Land	0.00%	-	-	-
14	321 Pumping Plant Struct. & Improv.	2.86%	-	-	-
15	325 Electric Pumping Equipment	5.88%	-	-	-
16	328 Gas Engine Equipment	4.00%	-	-	-
17	Subtotal Pumping Plant		\$ -	\$ -	\$ -
18	Water Treatment Plant				
19	330 Water Treatment Plant Land	0.00%	-	-	-
20	331 Water Trtmt. Struct. & Improv.	2.50%	-	-	-
21	332 Water Treatment Equipment	2.86%	-	-	-
22	Subtotal Water Trtmt. Plant		\$ -	\$ -	\$ -
23	Transmission & Distribution Plant				
24	340 Trans. and Dist. Land	0.00%	-	-	-
25	341 Transmission and Distribution Structur	3.33%	-	-	-
26	342 Storage Tanks	2.00%	-	-	-
27	343 Trans. & Dist. Mains	1.79%	-	-	-
28	344 Fire Sprinkler Taps	2.00%	-	-	-
29	345 Services	2.38%	-	-	-
30	346 Meters	4.55%	-	-	-
31	348 Hydrants	1.82%	-	-	-
32	Subtotal Trans. & Dist.		\$ -	\$ -	\$ -
33	General Plant				
34	389 General Plant Land	0.00%	-	-	-
35	390 General Plant Structures	2.50%	-	-	-
36	390.1 Leasehold Improvements	n/a	-	-	-
37	391 Office Furniture & Equipment	6.67%	750	(750)	(50)
38	393 Warehouse Equipment	5.00%	-	-	-
39	394 Tools, Shop & Garage Equip.	4.00%	-	-	-
40	395 Laboratory Equipment	5.00%	1,000	(1,000)	(40)
41	396 Power Operated Equipment	6.67%	-	-	-
42	397 Communication Equipment	6.67%	-	-	-
43	398 Miscellaneous Equipment	3.33%	-	-	-
44	Subtotal General Plant		\$ 1,750	\$ (1,750)	\$ (90)
45	Total Utility Plant		\$ 1,750	\$ -	\$ (90)
46	Accumulated Depreciation (1/2-Year Convention)		\$ -	\$ -	\$ (45)
47	Net Plant		\$ -	\$ -	\$ (1,705)

Line No.	System	Increase / (Decrease)
1		
2	Western Group	
3	Pinal Valley	\$ 1,132,298
4	White Tank	83,362
5	Ajo	
6		
7	Subtotal	\$ 1,215,659
8		
9	Phoenix	\$ 4,495
10	Meter Shop	
11		
12	Subtotal	4,495
13		
14	Total Increase to Deferred Tax	\$ 1,220,154
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<sup>1</sup>See Rebuttal Testimony of Joseph D. Harris

Western Group - Working Capital			
[A]	[B]	[C]	
As Filed	Rebuttal	Increase / (Decrease)	
\$ 1,561,902	\$ 1,285,900	\$ (276,002)	
141,320	153,827	12,608	
29,007	22,036	(6,971)	
<b>\$ 1,732,229</b>	<b>\$ 1,461,863</b>	<b>\$ (270,365)</b>	
<b>\$ 1,732,229</b>	<b>\$ 1,461,863</b>	<b>\$ (270,365)</b>	

Line No.	System	Increase/(Decrease) in Working Capital
1		
2	Western Group	
3	Pinal Valley	
4	White Tank	
5	Ajo	
6		
7	Subtotal	
8		
9		
10	Total	
11		
12	Increase/(Decrease) in Working Capital	\$ (270,365)
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**ARIZONA WATER COMPANY**

Test Year Ended December 31, 2014  
 Settlement Rate Base Adjustment No. 4  
 Allocate Phoenix Office & Meter Shop Settlement Rate Base Adjustments

Line No.	[A]	Western Group			[D]
		[B]	[C]	Allocated	
	Test Year - Settlement	Pinel Valley	White Tank	Alo	
1					
2	3-Factor Allocation Ratio	0.3317	0.0396		0.0072
3					
4	<u>Phoenix Office</u>				
5	Plant Classification				
6	Intangible Plant	\$ -	\$ -	\$ -	
7	Source of Supply Plant	-	-	-	
8	Pumping Plant	-	-	-	
9	Water Treatment Plant	-	-	-	
10	Transmission & Distribution Plant	-	-	-	
11	General Plant	(176,556)	(58,564)	(6,992)	(1,271)
12	Total Gross Plant in Service	\$ (176,556)	\$ (58,564)	\$ (6,992)	\$ (1,271)
13	Less:				
14	Accumulated Depreciation	(4,520)	(1,499)	(179)	(33)
15	Net Plant in Service	\$ (172,036)	\$ (57,064)	\$ (6,813)	\$ (1,239)
16	Less:				
17	Deferred Income Tax	4,495	1,491	178	32
18	Total Rate Base	\$ (176,531)	\$ (58,555)	\$ (6,991)	\$ (1,271)
19					
20	<u>Meter Shop</u>				
21	Plant Classification				
22	Intangible Plant	\$ -	\$ -	\$ -	
23	Source of Supply Plant	-	-	-	
24	Pumping Plant	-	-	-	
25	Water Treatment Plant	-	-	-	
26	Transmission & Distribution Plant	-	-	-	
27	General Plant	(1,750)	(580)	(69)	(13)
28	Total Gross Plant in Service	\$ (1,750)	\$ (580)	\$ (69)	\$ (13)
29	Less:				
30	Accumulated Depreciation	(45)	(15)	(2)	(0)
31	Net Plant in Service	\$ (1,705)	\$ (566)	\$ (68)	\$ (12)
32	Less:				
33	Deferred Income Tax				
34	Total Rate Base	\$ (1,705)	\$ (566)	\$ (68)	\$ (12)
35					
36					
37					
38	<u>Total Phoenix Office &amp; Meter Shop</u>				
39	Plant Classification				
40	Intangible Plant	\$ -	\$ -	\$ -	
41	Source of Supply Plant	-	-	-	
42	Pumping Plant	-	-	-	
43	Water Treatment Plant	-	-	-	
44	Transmission & Distribution Plant	-	-	-	
45	General Plant	(178,306)	(59,144)	(7,061)	(1,284)
46	Total Gross Plant in Service	\$ (178,306)	\$ (59,144)	\$ (7,061)	\$ (1,284)
47	Less:				
48	Accumulated Depreciation	(4,565)	(1,514)	(181)	(33)
49	Net Plant in Service	\$ (173,741)	\$ (57,630)	\$ (6,880)	\$ (1,251)
50	Less:				
51	Deferred Income Tax	4,495	1,491	178	32
52	Total Rate Base	\$ (178,236)	\$ (59,121)	\$ (7,058)	\$ (1,283)
53					
54					
55					

ARIZONA WATER COMPANY  
 Test Year Ended December 31, 2014  
 Computation of Working Capital

Line No.	Western Group		
	(A) Working Capital - As Filed	(B) Settlement Adjustments	(C) Working Capital - Settlement
1			
2			
3	Working Cash Requirement (Sch. B-5 Appendix)	\$ 180,385	\$ (270,365)
4			
5	Material and Supplies Inventories <sup>1</sup>	136,425	-
6			
7	Required Bank Balances <sup>1</sup>	911,860	-
8			
9	Prepayments & Special Deposits <sup>1</sup>	503,558	-
10			
11	Total Working Capital Allowance	\$ 1,732,229	\$ (270,365)
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<sup>1</sup>13-month average balances

**ARIZONA WATER COMPANY**  
 Test Year Ended December 31, 2014  
 Computation of Working Capital

Line No.	Pinal Valley			White Tank			Ajo		
	(A) Working Capital - As Filed	(B) Settlement Adjustments	(C) Working Capital - Settlement	(D) Working Capital - As Filed	(E) Settlement Adjustments	(F) Working Capital - Settlement	(G) Working Capital - As Filed	(H) Settlement Adjustments	(I) Working Capital - Settlement
2	\$ 201,938	\$ (276,002)	\$ (74,064)	\$ (21,040)	\$ 12,608	\$ (8,432)	\$ (513)	\$ (6,971)	\$ (7,483)
3									
4									
5	119,556	-	119,556	14,273	-	14,273	2,595	-	2,595
6									
7	799,112	-	799,112	95,402	-	95,402	17,346	-	17,346
8									
9	441,295	-	441,295	52,684	-	52,684	9,579	-	9,579
10									
11	\$ 1,561,902	\$ (276,002)	\$ 1,285,900	\$ 141,320	\$ 12,608	\$ 153,927	\$ 29,007	\$ (6,971)	\$ 22,036
12									
13									
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13-month average balances

Line No.	Description	Company - As Filed					Settlement							
		Adjusted Results - As Filed	Revenue Lag Days <sup>1</sup>	Expense Lag Days <sup>2</sup>	Net Lag Days [B-C]	Lead / Lag Factor [D+365]	Working Cash Requirement [A X E]	Adjusted Results - Rebuttal	Revenue Lag Days <sup>1</sup>	Expense Lag Days <sup>2</sup>	Net Lag Days [H-I]	Lead / Lag Factor [J+365]	Working Cash Requirement [G X K]	
1	Operating Expenses													
2	Purchased Power	2,071,310	29.50	30.87	(1.37)	(0.0038)	\$ (7,775)	2,071,310	29.50	30.87	(1.37)	(0.0038)	\$ (7,775)	
3	Payroll	3,869,443	29.50	14.00	15.50	0.0425	164,319	3,869,443	29.50	14.00	15.50	0.0425	164,319	
4	Purchased Water	715,000	29.50	(57.84)	87.34	0.2393	171,091	715,000	29.50	(57.84)	87.34	0.2393	171,091	
5	Chemicals	407,363	29.50	(18.11)	47.61	0.1304	53,136	407,363	29.50	(18.11)	47.61	0.1304	53,136	
6	Property & Liability Insurance	215,569	29.50	(45.27)	74.77	0.2048	44,159	215,569	29.50	(45.27)	74.77	0.2048	44,159	
7	Worker's Compensation Insurance	56,136	29.50	(46.50)	76.00	0.2082	11,689	56,136	29.50	(46.50)	76.00	0.2082	11,689	
8	Medical, Vision, Dental, LTD & Life Insurance	868,512	29.50	(8.92)	38.42	0.1053	91,420	868,512	29.50	(8.92)	38.42	0.1053	91,420	
9	Other O&M (Excluding Rate Case Expense)	1,999,287	29.50	(9.27)	38.77	0.1062	212,363	2,139,661	29.50	(9.27)	38.77	0.1062	227,273	
10	Federal Income Taxes	1,839,977	29.50	37.00	(7.50)	(0.0205)	(37,808)	1,604,679	29.50	37.00	(7.50)	(0.0205)	(32,973)	
11	State Income Taxes	313,163	29.50	37.00	(7.50)	(0.0205)	(6,435)	273,115	29.50	37.00	(7.50)	(0.0205)	(5,612)	
12	FICA Taxes	267,606	29.50	14.00	15.50	0.0425	11,364	267,606	29.50	14.00	15.50	0.0425	11,364	
13	FUTA & SUTA Taxes	3,202	29.50	83.10	(53.60)	(0.1468)	(470)	3,202	29.50	83.10	(53.60)	(0.1468)	(470)	
14	Property Taxes	1,062,679	29.50	212.00	(182.50)	(0.5000)	(520,507)	1,041,014	29.50	212.00	(182.50)	(0.5000)	(520,507)	
15	Registration, Svc. Contracts, & Misc. Fees	86,918	29.50	(98.83)	128.33	0.3516	30,559	86,918	29.50	(98.83)	128.33	0.3516	30,559	
16	Retirement Annuities (401k)	296,049	29.50	34.72	(5.22)	(0.0143)	(4,234)	296,049	29.50	34.72	(5.22)	(0.0143)	(4,234)	
17	Interest on Long-Term Debt							1,817,629					(307,503)	
18														
19														
20														
21	Total	\$ 14,072,414					\$ 201,938	\$ 15,733,205					\$ (74,064)	

<sup>1</sup> 2014 Actual lag days per AWC billing system.  
 Revenue lag days for White Tank updated in response Staff data request BAB 1.16.  
<sup>2</sup> Dec. No. 64282 as amended by Dec. Nos. 66849 & 68302. Purchased power lag days per Dec. No. 71845. Purchased water lag days are actual 2014.  
 -Purchased Water expense excludes amortization of deferred CAP M&I Capital charges.

Line No.	White Tank											
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)
	Company - As Filed			Settlement			Settlement			Working Cash Requirement		
	Adjusted Results - As Filed	Revenue Lag Days <sup>1</sup>	Expense Lag Days <sup>2</sup>	Net Lag Days (B-C)	Lead / Lag Factor (D-C)	Working Cash Requirement (A X E)	Adjusted Results - Rebuttal	Revenue Lag Days	Expense Lag Days <sup>2</sup>	Net Lag Days (H-I)	Lead / Lag Factor (J-K)	Working Cash Requirement (G X K)
1	\$ 286,661	20.77	30.87	(10.10)	(0.0277)	\$ (7,932)	\$ 286,661	31.50	30.87	0.63	0.0017	\$ 495
2	476,932	20.77	14.00	6.77	0.0185	8,846	476,932	31.50	14.00	17.50	0.0479	22,867
3												
4												
5												
6												
7	47,058	20.77	41.88	(21.11)	(0.0578)							
8	25,736	20.77	18.11	38.88	0.1065	5,013	47,058	31.50	18.11	49.61	0.1359	6,396
9	4,335	20.77	(45.27)	66.04	0.1809	4,656	25,736	31.50	(45.27)	76.77	0.2103	5,413
10	67,130	20.77	(46.50)	67.27	0.1843	799	4,335	31.50	(46.50)	78.00	0.2137	926
11	354,699	20.77	(8.92)	29.69	0.0813	5,460	67,130	31.50	(8.92)	40.42	0.1107	7,434
12	153,203	20.77	(9.27)	30.04	0.0823	29,192	257,176	31.50	(9.27)	40.77	0.1117	28,726
13	26,075	20.77	37.00	(16.23)	(0.0445)	(6,812)	138,528	31.50	37.00	(5.50)	(0.0151)	(2,087)
14	28,684	20.77	14.00	6.77	0.0185	532	23,577	31.50	37.00	(5.50)	(0.0151)	(355)
15	319	20.77	83.10	(62.33)	(0.1708)	(54)	28,684	31.50	14.00	17.50	0.0479	1,375
16	118,521	20.77	212.00	(191.23)	(0.5239)	(62,095)	319	31.50	83.10	(51.60)	(0.1414)	(45)
17	10,342	20.77	(96.83)	119.60	0.3277	3,389	116,035	31.50	212.00	(180.50)	(0.4945)	(57,362)
18	22,863	20.77	34.72	(13.95)	(0.0382)	(874)	10,342	31.50	(96.83)	130.33	0.3571	3,693
19							22,863	31.50	34.72	(3.22)	(0.0088)	(202)
20							156,911	31.50	91.25	(59.75)	(0.1637)	(25,686)
21	\$ 1,622,559					\$ (21,040)	\$ 1,662,287					\$ (8,432)
22												
23												
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<sup>1</sup>2014 Actual lag days per AWC billing system.  
 Revenue lag days for White Tank updated in response Staff data request EAB 1.16.  
<sup>2</sup>Dec. No. 64282 as amended by Dec. Nos. 66849 & 68302. Purchased power lag days per Dec. No. 71845. Purchased water lag days are actual 2014.  
 -Purchased Water expense excludes amortization of deferred CAP M&I Capital charges.

Line No.	Company - As Filed										Settlement			
	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]		
	Adjusted Results - As Filed	Revenue Lag Days <sup>1</sup>	Expense Lag Days <sup>2</sup>	Net Lag Days [B - C]	Lead / Lag Factor [D + 365]	Working Cash Requirement [A X E]	Adjusted Results - Rebuttal	Revenue Lag Days <sup>1</sup>	Expense Lag Days <sup>2</sup>	Net Lag Days [H - I]	Lead / Lag Factor [J + 365]	Working Cash Requirement [G X K]		
1	\$ 4,903	28.91	30.87	(1.96)	(0.0054)	\$ (26)	\$ 4,903	28.91	30.87	(1.96)	(0.0054)	\$ (26)		
2	118,010	28.91	14.00	14.91	0.0408	4,821	118,010	28.91	14.00	14.91	0.0408	4,821		
3	117,312	28.91	35.95	(7.04)	(0.0193)	(2,263)	117,312	28.91	35.95	(7.04)	(0.0193)	(2,263)		
4	502	28.91	(18.11)	47.02	0.1288	65	502	28.91	(18.11)	47.02	0.1288	65		
5	4,679	28.91	(45.27)	74.18	0.2032	951	4,679	28.91	(45.27)	74.18	0.2032	951		
6	1,568	28.91	(46.50)	75.41	0.2066	324	1,568	28.91	(46.50)	75.41	0.2066	324		
7	24,173	28.91	(8.92)	37.83	0.1036	2,505	24,173	28.91	(8.92)	37.83	0.1036	2,505		
8	36,170	28.91	(9.27)	38.18	0.1046	3,784	36,170	28.91	(9.27)	38.18	0.1046	3,784		
9	28,967	28.91	37.00	(8.09)	(0.0222)	(642)	28,967	28.91	37.00	(8.09)	(0.0222)	(642)		
10	4,930	28.91	37.00	(8.09)	(0.0222)	(109)	4,930	28.91	37.00	(8.09)	(0.0222)	(109)		
11	8,841	28.91	14.00	14.91	0.0408	361	8,841	28.91	14.00	14.91	0.0408	361		
12	99	28.91	83.10	(54.19)	(0.1485)	(15)	99	28.91	83.10	(54.19)	(0.1485)	(15)		
13	21,529	28.91	212.00	(183.09)	(0.5016)	(10,799)	21,529	28.91	212.00	(183.09)	(0.5016)	(10,799)		
14	1,893	28.91	(98.83)	127.74	0.3500	663	1,893	28.91	(98.83)	127.74	0.3500	663		
15	8,270	28.91	34.72	(5.81)	(0.0159)	(132)	8,270	28.91	34.72	(5.81)	(0.0159)	(132)		
16							29,698	28.91	91.25	(62.34)	(0.1708)	(5,106)		
17							\$ 387,583					\$ (7,483)		
18														
19														
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<sup>1</sup>2014 Actual lag days per AWC billing system.  
 Revenue lag days for White Tank updated in response Staff data request BAB 1.16.  
<sup>2</sup>Dec. No. 64282 as amended by Dec. Nos. 66849 & 66302. Purchased power lag days per Dec. No. 71845. Purchased water lag days are actual 2014.  
 -Purchased Water expense excludes amortization of deferred CAP M&I Capital charges.

**ARIZONA WATER COMPANY**  
 Test Year Ended December 31, 2014  
 Adjusted Test Year Income Statement

Line No.	Western Group						
	(A) Test Year Ended 12/31/2014	(B) Pro Forma Adjustments - As Filed	(C) Adjusted Test Year - As Filed	(D) Settlement Adjustments	(E) Adjusted Test Year - Settlement	(F) Settlement Required Increase - Settlement	(G) Adjusted w/ Increase - Settlement
1	Operating Revenues						
2	Residential	\$ 14,933,743	\$ (1,536,843)	\$ 13,396,900	\$ -	\$ 13,396,900	\$ -
3	Commercial	6,649,318	(689,780)	5,959,538	-	5,959,538	-
4	Industrial	1,099,890	(125,928)	973,961	-	973,961	-
5	Private Fire Service	138,940	(14,290)	124,650	-	124,650	-
6	Other Water Revenues	273,425	(21,552)	251,873	-	251,873	-
7	Total Water Revenues	\$ 23,095,315	\$ (2,388,393)	\$ 20,706,922	\$ -	\$ 20,706,922	\$ -
8	Miscellaneous	1,128,795	(618,949)	509,846	-	509,846	-
9	Total Operating Revenues	\$ 24,224,110	\$ (3,007,342)	\$ 21,216,768	\$ -	\$ 21,216,768	\$ 4,572,937
10	Operating Expenses:						
11	Source of Supply Expenses:						
12	Purchased Water	627,277	575,578	1,202,855	(43,989)	1,158,867	1,158,867
13	Other	87,192	10,555	97,747	(19,700)	78,047	78,047
14	Pumping Expenses:						
15	Purchased Power	2,290,426	72,448	2,362,874	-	2,362,874	2,362,874
16	Purchased Gas	878	-	878	-	878	878
17	Other	914,922	174,672	1,089,594	(30,907)	1,058,687	1,058,687
18	Water Treatment Expenses	1,552,922	107,688	1,660,610	(22,473)	1,638,137	1,638,137
19	Transmission & Distribution Expenses	1,550,665	341,279	1,891,944	(209,720)	1,682,224	1,682,224
20	Customer Accounting Expenses	1,359,159	74,032	1,433,191	(11,865)	1,421,326	1,431,175
21	Customer Service & Sales Expense	2,362	2,413	4,775	-	4,775	4,775
22	Administrative & General Expenses	2,419,106	443,701	2,862,807	(76,367)	2,786,440	2,786,440
23	Total Operations & Maintenance Expense	\$ 10,804,910	\$ 1,802,367	\$ 12,607,277	\$ (415,021)	\$ 12,192,256	\$ 9,848
24	Depreciation & Amortization Expenses	4,450,676	367,759	4,818,436	(83,342)	4,735,094	4,735,094
25	Taxes						
26	Federal Income Taxes	1,392,654	(1,275,185)	117,669	202,953	320,623	1,448,979
27	State Income Taxes	147,755	(127,728)	20,027	34,543	54,570	246,615
28	Property Taxes	1,048,313	50,623	1,098,936	-	1,098,936	1,178,113
29	Other	2,434,405	(2,237,112)	197,293	(3,426)	193,867	193,867
30	Total Taxes	\$ 5,023,327	\$ (3,589,402)	\$ 1,433,926	\$ 234,070	\$ 1,667,995	\$ 1,774,771
31	Total Operating Expenses	\$ 20,278,914	\$ (1,419,276)	\$ 18,859,638	\$ (284,293)	\$ 18,575,345	\$ 1,784,620
32	Operating Income	\$ 3,945,196	\$ (1,588,067)	\$ 2,357,130	\$ 264,293	\$ 2,621,423	\$ 5,409,741
33	Other Income & Deductions:						
34	Interest:						
35	Long-Term Debt	1,868,679	262,015	2,130,695	(126,257)	2,004,438	2,004,438
36	Short-Term Debt	(185,620)	165,620	-	-	-	-
37	Other	1,883,059	447,636	2,130,695	(126,257)	2,004,438	2,004,438
38	Total Interest	(189,231)	189,231	-	-	-	-
39	Other (Income) - Net						
40	Total Other (Income) & Deductions	\$ 1,493,827	\$ 636,867	\$ 2,130,695	\$ (126,257)	\$ 2,004,438	\$ 2,004,438
41	Net Income	\$ 2,451,369	\$ (2,224,934)	\$ 226,435	\$ 390,550	\$ 616,965	\$ 3,405,303

Line No.	Pinal Valley						
	[A] Test Year Ended 12/31/2014	[B] Company - As Filed Pro Forma Adjustments - As Filed	[C] Adjusted Test Year - As Filed	[D] Settlement Adjustments	[E] Adjusted Test Year - Settlement	[F] Settlement Increase - Settlement	[G] Adjusted w/ Increase - Settlement
1	Operating Revenues						
2	Residential	\$ 12,680,567	\$ (1,382,206)	\$ 11,298,361	\$ -	\$ 11,298,361	
3	Commercial	6,057,907	(645,125)	5,412,782	-	5,412,782	
4	Industrial	1,083,041	(125,072)	957,969	-	957,969	
5	Private Fire Service	135,733	(14,083)	121,650	-	121,650	
6	Other Water Revenues	235,041	(19,039)	216,003	-	216,003	
7	Total Water Revenues	\$ 20,192,290	\$ (2,185,525)	\$ 18,006,765	\$ -	\$ 18,006,765	
8	Miscellaneous	1,076,452	(615,328)	461,124	-	461,124	
9	Total Operating Revenues	\$ 21,268,742	\$ (2,800,853)	\$ 18,467,889	\$ -	\$ 18,467,889	\$ 4,104,288
10	Operating Expenses						
11	Source of Supply Expenses:						
12	Purchased Water	509,966	575,578	1,085,544	(43,988)	1,041,556	1,041,556
13	Other	70,295	5,129	75,424	(10,091)	65,333	65,333
14	Pumping Expenses:						
15	Purchased Power	2,008,337	62,974	2,071,310	-	2,071,310	2,071,310
16	Purchased Gas	878	-	878	-	878	878
17	Other	753,918	138,929	892,848	(18,213)	874,635	874,635
18	Water Treatment Expenses	1,322,049	82,694	1,404,743	(12,486)	1,392,257	1,392,257
19	Transmission & Distribution Expenses	1,410,908	250,563	1,661,471	(123,767)	1,537,704	1,537,704
20	Customer Accounting Expenses	1,175,477	64,082	1,239,559	(9,656)	1,229,903	1,239,992
21	Customer Service & Sales Expense	2,093	-	2,093	-	2,093	2,093
22	Administrative & General Expenses	2,145,599	397,613	2,543,213	(74,206)	2,469,006	2,469,006
23	Total Operations & Maintenance Expense	\$ 9,399,520	\$ 1,577,563	\$ 10,977,082	\$ (292,408)	\$ 10,684,675	\$ 8,788
24	Depreciation & Amortization Expenses	3,620,630	342,946	3,963,576	(80,392)	3,883,183	3,883,183
25	Taxes						
26	Federal Income Taxes	1,293,556	(1,149,811)	143,745	160,672	304,418	1,300,262
27	State Income Taxes	137,221	(112,756)	24,465	27,346	51,812	221,304
28	Property Taxes	934,218	34,996	969,214	-	969,214	71,799
29	Other	2,219,660	(2,045,215)	174,445	(3,288)	171,157	1,041,014
30	Total Taxes	\$ 4,584,655	\$ (3,272,785)	\$ 1,311,870	\$ 184,730	\$ 1,496,601	\$ 1,593,364
31	Total Operating Expenses	\$ 17,604,804	\$ (1,352,276)	\$ 16,252,529	\$ (188,070)	\$ 16,064,459	\$ 1,602,153
32	Operating Income	\$ 3,663,938	\$ (1,448,578)	\$ 2,215,360	\$ 188,070	\$ 2,403,430	\$ 2,502,135
33	Other Income & Deductions:						
34	Interest:						
35	Long-Term Debt	1,667,318	271,428	1,938,746	(121,117)	1,817,629	1,817,629
36	Short-Term Debt	(165,619)	165,619	-	-	-	-
37	Other	1,501,699	437,047	1,938,746	(121,117)	1,817,629	1,817,629
38	Total Interest	(165,834)	165,834	-	-	-	-
39	Other (Income) - Net	1,335,866	602,880	1,938,746	(121,117)	1,817,629	1,817,629
40	Total Other (Income) & Deductions	\$ 2,328,072	\$ (2,051,458)	\$ 276,614	\$ 309,187	\$ 585,801	\$ 2,502,135
41	Net Income	\$ 2,328,072	\$ (2,051,458)	\$ 276,614	\$ 309,187	\$ 585,801	\$ 3,087,936

**ARIZONA WATER COMPANY**  
 Test Year Ended December 31, 2014  
 Adjusted Test Year Income Statement

Exhibit  
 Schedule C-1 Settlement  
 Page 3 of 4  
 Witness: Reiker

Line No.	White Tank						
	[A] Test Year Ended 12/31/2014	[B] Company - As Filed Pro Forma Adjustments - As Filed	[C] Adjusted Test Year - As Filed	[D] Settlement Adjustments	[E] Adjusted Test Year - Settlement	[F] Settlement Required Increase - Settlement	[G] Adjstd' w/ Increase - Settlement
1	Operating Revenues						
2	Residential	\$ 1,916,678	\$ (125,034)	\$ 1,791,645	\$ -	\$ 1,791,645	
3	Commercial	457,425	(35,797)	421,627	-	421,627	
4	Industrial	16,848	(856)	15,992	-	15,992	
5	Private Fire Service	1,930	(130)	1,800	-	1,800	
6	Other Water Revenues	37,917	(2,610)	35,306	-	35,306	
7	Total Water Revenues	\$ 2,430,798	\$ (164,428)	\$ 2,266,370	\$ -	\$ 2,266,370	
8	Miscellaneous						
9		47,983	(3,362)	44,621	-	44,621	
10	Total Operating Revenues	\$ 2,478,781	\$ (167,790)	\$ 2,310,991	\$ -	\$ 2,310,991	\$ 404,704
11							\$ 2,715,695
12	Operating Expenses						
13	Source of Supply Expenses:						
14	Purchased Water						
15	Other	16,474	9,742	26,216	(9,605)	16,611	16,611
16	Pumping Expenses:						
17	Purchased Power	279,222	7,439	286,661	-	286,661	286,661
18	Purchased Gas						
19	Other	142,677	36,031	178,709	(12,584)	166,125	166,125
20	Water Treatment Expenses	206,953	25,044	231,997	(9,785)	222,212	222,212
21	Transmission & Distribution Expenses	101,410	70,306	171,716	(66,687)	105,019	105,019
22	Customer Accounting Expenses	146,766	7,885	154,650	(1,932)	152,719	153,630
23	Customer Service & Sales Expense	223	2,413	2,636	-	2,636	2,636
24	Administrative & General Expenses	222,981	37,148	260,129	(1,324)	258,806	258,806
25	Total Operations & Maintenance Expense	\$ 1,116,705	\$ 196,009	\$ 1,312,714	\$ (101,927)	\$ 1,210,788	\$ 911
26							\$ 1,211,699
27	Depreciation & Amortization Expenses	770,228	18,295	788,523	(2,515)	786,008	786,008
28							
29	Taxes						
30	Federal Income Taxes	80,995	(106,096)	(25,101)	35,210	10,110	128,418
31	State Income Taxes	8,592	(12,864)	(4,272)	5,993	1,721	21,857
32	Property Taxes	90,735	18,901	109,635	-	109,635	6,400
33	Other	182,109	(165,743)	16,366	(2)	16,364	116,035
34	Total Taxes	\$ 362,430	\$ (265,802)	\$ 96,628	\$ 41,201	\$ 137,829	\$ 156,674
35							\$ 294,504
36	Total Operating Expenses	\$ 2,249,363	\$ (51,497)	\$ 2,197,866	\$ (63,240)	\$ 2,134,626	\$ 157,585
37	Operating Income	\$ 229,418	\$ (116,293)	\$ 113,125	\$ 63,240	\$ 176,365	\$ 247,119
38							\$ 423,484
39	Other Income & Deductions:						
40	Interest:						
41	Long-Term Debt	167,446	(6,019)	161,427	(4,516)	156,911	156,911
42	Short-Term Debt						
43	Other	(16,633)	16,633	-	-	-	-
44	Total Interest	\$ 150,813	\$ 10,614	\$ 161,427	\$ (4,516)	\$ 156,911	\$ -
45							\$ 156,911
46	Other (Income) - Net	(19,798)	19,798	-	-	-	-
47							
48	Total Other (Income) & Deductions	\$ 131,015	\$ 30,412	\$ 161,427	\$ (4,516)	\$ 156,911	\$ -
49							\$ 156,911
50	Net Income	\$ 98,403	\$ (146,705)	\$ (48,302)	\$ 67,757	\$ 19,454	\$ 247,119
51							\$ 266,573
52							
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55							

Line No.	Ajo						
	[A] Test Year Ended 12/31/2014	[B] Company - As Filed Pro Forma Adjustments - As Filed	[C] Adjusted Test Year - As Filed	[D] Settlement Adjustments	[E] Adjusted Test Year - Settlement	[F] Settlement Required Increase - Settlement	[G] Adjst'd w/ Increase - Settlement
1	Operating Revenues						
2	Residential		306,895				
3	Commercial	(29,602)	125,128				
4	Industrial	(8,858)					
5	Private Fire Service	(76)	1,200				
6	Other Water Revenues	97	564				
7	Total Water Revenues	(38,439)	433,787				
8					4,101		
9	Miscellaneous	(259)					
10	Total Operating Revenues	(38,698)	437,888		437,888	63,945	501,834
11							
12	Operating Expenses						
13	Source of Supply Expenses:						
14	Purchased Water		117,312		117,312		117,312
15	Other	(4,317)	(3,893)	(4)	(3,898)		(3,898)
16	Pumping Expenses:						
17	Purchased Power		4,903		4,903		4,903
18	Purchased Gas						
19	Other	(288)	(111)	(111)	17,927		17,927
20	Water Treatment Expenses	(50)	23,668	(201)	23,668		23,668
21	Transmission & Distribution Expenses	20,410	58,757	(19,256)	39,502		39,502
22	Customer Accounting Expenses	2,065	38,982	(277)	38,705	149	38,853
23	Customer Service & Sales Expense	46	46		46		46
24	Administrative & General Expenses	8,939	59,465	(837)	58,628		58,628
25	Total Operations & Maintenance Expense	28,794	317,480	(20,687)	296,793	149	296,942
26							
27	Depreciation & Amortization Expenses	6,518	66,337	(435)	65,902		65,902
28							
29	Taxes						
30	Federal Income Taxes	(19,278)	(975)	7,071	6,095	20,300	26,395
31	State Income Taxes	(2,108)	(166)	1,203	1,037	3,455	4,492
32	Property Taxes	(3,274)	20,086		20,086	978	21,064
33	Other	(26,155)	6,482	(136)	6,346		6,346
34	Total Taxes	(50,815)	25,427	8,138	33,565	24,733	58,298
35							
36	Total Operating Expenses	(15,503)	409,244	(12,983)	396,261	24,881	421,142
37	Operating Income	(23,196)	28,644	12,983	41,628	39,064	80,692
38							
39	Other Income & Deductions:						
40	Interest:						
41	Long-Term Debt	(3,393)	30,521	(623)	29,898		29,898
42	Short-Term Debt						
43	Other	3,369					
44	Total Interest	(25)	30,521	(623)	29,898		29,898
45							
46	Other (Income) - Net	3,600					
47							
48	Total Other (Income) & Deductions	3,575	30,521	(623)	29,898		29,898
49							
50	Net Income	(26,771)	(1,877)	13,607	11,730	39,064	50,794
51							
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**ARIZONA WATER COMPANY**  
 Test Year Ended December 31, 2014  
 Income Statement Pro Forma Adjustments

Exhibit  
 Schedule C-2 Settlement  
 Page 1 of 8  
 Witness: Reiker

Line No.	Description	[A] Test Year Ended 12/31/2014	[B] Pro Forma Adjustments - As Filed	[C] Adjusted Test Year - As Filed	Western Group															
					[D] Settlement No. 1	[E] Settlement No. 2	[F] Settlement No. 3	[G] Settlement Income Statement No. 4	[H] Settlement No. 5	[I] Settlement No. 6	[J] Settlement No. 7	[K] BLANK								
1	Operating Revenues	\$ 14,933,743	\$ (1,536,843)	\$ 13,396,900																
2	Residential	6,649,318	(689,780)	5,959,538																
3	Commercial	1,099,890	(125,928)	973,961																
4	Industrial	1,38,940	(14,290)	124,650																
5	Private Fire Service	273,425	(21,552)	251,873																
6	Other Water Revenues																			
7	Total Water Revenues	\$ 23,095,315	\$ (2,388,393)	\$ 20,706,922																
8	Miscellaneous	1,128,795	(618,949)	509,846																
9	Total Operating Revenues	\$ 24,224,110	\$ (3,007,342)	\$ 21,216,768																
10	Operating Expenses																			
11	Source of Supply Expenses:																			
12	Purchased Water	627,277	575,578	1,202,855																
13	Other	87,192	10,555	97,747																
14	Pumping Expenses:																			
15	Purchased Power	2,290,426	72,448	2,362,874																
16	Purchased Gas	878	-	878																
17	Other	914,922	174,672	1,089,594																
18	Water Treatment Expenses	1,552,922	1,07,688	1,660,610																
19	Transmission & Distribution Expenses	1,550,665	341,279	1,891,944																
20	Customer Accounting Expenses	1,359,159	74,032	1,433,191																
21	Customer Service & Sales Expenses	2,362	2,413	4,775																
22	Administrative & General Expenses	2,419,106	443,701	2,862,807																
23	Total Operations & Maintenance Expenses	\$ 10,804,910	\$ 1,802,367	\$ 12,607,277																
24	Depreciation & Amortization Expenses	4,450,676	367,759	4,818,436																
25	Taxes																			
26	Federal Income Taxes	1,392,854	(1,275,185)	117,669																
27	State Income Taxes	147,755	(127,728)	20,027																
28	Property Taxes	1,048,313	50,623	1,098,936																
29	Other	2,434,405	(2,237,112)	197,293																
30	Total Taxes	\$ 5,023,327	\$ (3,589,402)	\$ 1,433,926																
31	Total Operating Expenses	\$ 20,278,914	\$ (1,419,276)	\$ 18,859,638																
32	Operating Income	\$ 3,945,196	\$ (1,588,067)	\$ 2,357,130																
33	Other Income & Deductions:																			
34	Interest:																			
35	Long-Term Debt	1,868,679	262,015	2,130,695																
36	Short-Term Debt	(185,620)	185,620	-																
37	Other	1,663,059	447,636	2,110,695																
38	Total Interest	(189,231)	189,231	-																
39	Other (Income) - Net																			
40	Total Other (Income) & Deductions	\$ 1,493,827	\$ 638,867	\$ 2,130,695																
41	Net Income	\$ 2,451,369	\$ (2,224,934)	\$ 226,435																

Supporting Schedules:

C:\Users\jleiken\Desktop\2015 WG Rate Case Settlement Schedules\C2  
 Processing Date: 5/4/2016 7:50 AM

Recap Schedules:  
 C-1 Settlement

**ARIZONA WATER COMPANY**  
 Test Year Ended December 31, 2014  
 Income Statement Pro Forma Adjustments

Line No.	Western Group										[V] Adj'd w/ Increase - Settlement
	[L]	[M]	[N]	[O]	[P]	[R]	[S]	[T]	[U]	[W]	
	BLANK	BLANK	BLANK	BLANK	Settlement No. 8	Settlement No. 9	Settlement No. 10	Total Settlement Adjustments	Adjusted Test Year - Settlement	Required Increase - Settlement	
1	Operating Revenues										
2	Residential	\$	\$	\$	\$	\$	\$	\$	\$ 13,396,900		
3	Commercial								5,959,538		
4	Industrial								973,961		
5	Private Fire Service								124,650		
6	Other Water Revenues								251,873		
7	Total Water Revenues	\$	\$	\$	\$	\$	\$	\$	\$ 20,706,922		
8											
9	Miscellaneous								509,846		
10	Total Operating Revenues	\$	\$	\$	\$	\$	\$	\$	\$ 21,216,768	\$ 4,572,937	\$ 25,789,706
11											
12	Operating Expenses										
13	Source of Supply Expenses:										
14	Purchased Water							(43,988)	1,158,867		1,158,867
15	Other							(19,700)	78,047		78,047
16	Pumping Expenses:										
17	Purchased Power								2,362,874		2,362,874
18	Purchased Gas								878		878
19	Other										
20	Water Treatment Expenses							(30,907)	1,058,687		1,058,687
21	Transmission & Distribution Expenses							(22,473)	1,638,137		1,638,137
22	Customer Accounting Expenses							(209,720)	1,682,224		1,682,224
23	Customer Service & Sales Expense							(11,865)	1,421,326		1,431,175
24	Administrative & General Expenses								4,775		4,775
25	Total Operations & Maintenance Expense	\$	\$	\$	\$	\$	\$	\$ (76,367)	\$ 2,786,440	\$ 9,848	\$ 2,786,440
26								\$ (415,021)	\$ 12,192,256	\$ 9,848	\$ 12,202,104
27	Depreciation & Amortization Expenses							(83,342)	4,735,094		4,735,094
28											
29	Taxes										
30	Federal Income Taxes										
31	State Income Taxes							202,953	320,623	1,448,979	1,769,602
32	Property Taxes							34,543	54,570	246,615	301,185
33	Other								1,098,936	79,177	1,178,113
34	Total Taxes	\$	\$	\$	\$	\$	\$	\$ (3,426)	\$ 193,867	\$ 1,774,771	\$ 193,867
35								\$ 234,070	\$ 1,667,985	\$ 1,774,771	\$ 3,442,767
36	Total Operating Expenses	\$	\$	\$	\$	\$	\$	\$ (264,293)	\$ 18,595,345	\$ 1,784,620	\$ 20,379,965
37	Operating Income	\$	\$	\$	\$	\$	\$	\$ 264,293	\$ 2,621,423	\$ 2,788,318	\$ 5,409,741
38											
39	Other Income & Deductions:										
40	Interest:										
41	Long-Term Debt				(126,257)						2,004,438
42	Short-Term Debt										
43	Other										
44	Total Interest	\$	\$	\$	\$ (126,257)	\$	\$	\$ (126,257)	\$ 2,004,438	\$	\$ 2,004,438
45	Other (Income) - Net										
46											
47	Total Other (Income) & Deductions	\$	\$	\$	\$ (126,257)	\$	\$	\$ (126,257)	\$ 2,004,438	\$	\$ 2,004,438
48											
49	Net Income	\$	\$	\$	\$ 126,257	\$	\$ (237,496)	\$ 390,550	\$ 616,985	\$ 2,788,318	\$ 3,405,303
50											
51											
52											
53											
54											
55											

**ARIZONA WATER COMPANY**  
 Test Year Ended December 31, 2014  
 Income Statement Pro Forma Adjustments

Line No.	Pinal Valley										
	[A] Test Year Ended 12/31/2014	[B] Pro Forma Adjustments - As Filed	[C] Adjusted Test Year - As Filed	[D] Settlement No. 1	[E] Settlement No. 2	[F] Settlement No. 3	[G] Settlement No. 4	[H] Settlement No. 5	[I] Settlement No. 6	[J] Settlement No. 7	[K] BLANK
1	Operating Revenues										
2	Residential	\$ 12,680,567	\$ (1,382,206)	\$ 11,298,361							
3	Commercial	6,057,907	(645,125)	5,412,782							
4	Industrial	1,083,041	(125,072)	957,969							
5	Private Fire Service	135,733	(14,083)	121,650							
6	Other Water Revenues	235,041	(19,039)	216,003							
7	Total Water Revenues	\$ 20,192,290	\$ (2,185,525)	\$ 18,006,765							
8	Miscellaneous	1,076,452	(615,328)	461,124							
9	Total Operating Revenues	\$ 21,268,742	\$ (2,800,853)	\$ 18,467,889							
10	Operating Expenses										
11	Source of Supply Expenses:										
12	Purchased Water	509,966	575,578	1,085,544							
13	Other	70,295	5,129	75,424	(10,050)	49		(90)		(43,988)	
14	Pumping Expenses:										
15	Purchased Power	2,008,337	62,974	2,071,310							
16	Purchased Gas	878		878							
17	Other	753,918	138,929	892,848	(16,220)	2,720		(4,713)			
18	Water Treatment Expenses	1,322,049	82,694	1,404,743	(11,878)	722		(1,330)			
19	Transmission & Distribution Expenses	1,410,908	250,563	1,661,471	(21,027)	6,083	(99,896)	(8,927)			
20	Customer Accounting Expenses	1,175,477	64,082	1,239,559	(8,356)	1,543		(2,843)			
21	Customer Service & Sales Expenses	2,093		2,093							
22	Administrative & General Expenses	2,145,599	397,613	2,543,213	(90,920)	53,852	(36,887)	(251)			
23	Total Operating Expenses	\$ 9,399,520	\$ 1,577,563	\$ 10,977,082	\$ (158,452)	\$ 64,970	\$ (36,887)	\$ (18,154)	\$ (43,988)	\$	
24	Depreciation & Amortization Expenses	3,620,630	342,946	3,963,576							(80,392)
25	Taxes										
26	Federal Income Taxes	1,293,556	(1,149,811)	143,745							
27	Slate Income Taxes	137,221	(112,756)	24,465							
28	Property Taxes	934,218	34,986	969,214							
29	Other	2,219,660	(2,045,215)	174,445	(3,288)						
30	Total Taxes	\$ 4,584,655	\$ (3,272,785)	\$ 1,311,870	\$ (3,288)						
31	Total Operating Expenses	\$ 17,804,804	\$ (1,352,276)	\$ 16,252,529	\$ (161,741)	\$ 64,970	\$ (36,887)	\$ (18,154)	\$ (43,988)	\$ (80,392)	
32	Operating Income	\$ 3,663,938	\$ (1,448,578)	\$ 2,215,360	\$ 161,741	\$ (64,970)	\$ 36,887	\$ 18,154	\$ 43,988	\$ 80,392	
33	Other Income & Deductions:										
34	Interest:										
35	Long-Term Debt	1,667,318	271,428	1,938,746							
36	Short-Term Debt	(165,619)	165,619								
37	Other	\$ 1,501,699	\$ 437,047	\$ 1,938,746							
38	Total Interest	(165,634)	165,834								
39	Other (Income) - Net										
40	Total Other (Income) & Deductions	\$ 1,335,866	\$ 602,880	\$ 1,938,746							
41	Net Income	\$ 2,328,072	\$ (2,051,458)	\$ 276,614	\$ 161,741	\$ (64,970)	\$ 36,887	\$ 18,154	\$ 43,988	\$ 80,392	

Line No.	Pinal Valley										Adjst'd w/ Increase - Settlement
	[L]	[M]	[N]	[O]	[P]	[Q]	[R]	[S]	[T]	[U]	
	BLANK	BLANK	BLANK	BLANK	Settlement No. 8	Settlement No. 9	Settlement No. 10	Total Settlement Adjustments	Adjusted Test Year - Settlement	Required Increase - Settlement	
1								\$	\$		
2									11,298,361		
3									5,412,782		
4									957,969		
5									121,650		
6									216,003		
7									18,006,765		
8											
9									461,124		
10									18,467,869	\$ 4,104,288	\$ 22,572,177
11											
12											
13											
14								(43,988)	1,041,556		1,041,556
15								(10,091)	65,333		65,333
16											
17									2,071,310		2,071,310
18									878		878
19								(18,213)	874,635		874,635
20								(12,486)	1,392,257		1,392,257
21								(123,767)	1,537,704		1,537,704
22								(9,656)	1,229,903		1,229,903
23									2,093		2,093
24								(74,206)	2,469,006		2,469,006
25								(292,408)	10,694,675	\$ 8,788	\$ 10,693,463
26											
27								(80,392)	3,883,183		3,883,183
28											
29											
30									304,418	1,300,262	1,604,679
31									51,812	221,304	273,115
32									969,214	71,799	1,041,014
33								(3,288)	171,157		171,157
34									184,730	\$ 1,593,364	\$ 3,089,965
35											
36									188,019	\$ 1,602,153	\$ 17,666,612
37									(188,070)	\$ 2,403,430	\$ 4,905,565
38									(188,019)	\$ 2,502,135	\$ 4,905,565
39											
40											
41											
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Line No.	[A] Test Year Ended 12/31/2014	[B] Pro Forma Adjustments - As Filed		[C] Adjusted Test Year - As Filed	[D] Settlement No. 1		[E] Settlement No. 2		[F] Settlement No. 3		[G] Settlement No. 4		[H] Settlement No. 5		[I] Settlement No. 6		[J] Settlement No. 7		[K] BLANK	
1	Operating Revenues																			
2	Residential	\$ 1,916,678	\$ (125,034)	\$ 1,791,645																
3	Commercial	457,425	(35,797)	421,627																
4	Industrial	16,848	(856)	15,992																
5	Private Fire Service	1,930	(130)	1,800																
6	Other Water Revenues	37,917	(2,610)	35,306																
7	Total Water Revenues	\$ 2,430,788	\$ (164,428)	\$ 2,266,370																
8	Miscellaneous																			
9		47,983	(3,362)	44,621																
10	Total Operating Revenues	\$ 2,478,781	\$ (167,790)	\$ 2,310,991																
11	Operating Expenses																			
12	Source of Supply Expenses:																			
13	Purchased Water																			
14	Other	16,474	9,742	26,216		(9,479)									(157)					
15	Pumping Expenses:																			
16	Purchased Power	279,222	7,439	286,661																
17	Purchased Gas																			
18	Other	142,677	36,031	178,709		(10,642)									(2,444)					
19	Water Treatment Expenses	206,953	25,044	231,997		(9,544)									(300)					
20	Transmission & Distribution Expenses	101,410	70,306	171,716		(10,267)									(1,781)					
21	Customer Accounting Expenses	146,766	7,885	154,650		(966)									(1,199)					
22	Customer Service & Sales Expense	223	2,413	2,636																
23	Administrative & General Expenses	222,981	37,148	260,129		(3,327)									(18)					
24	Total Operations & Maintenance Expense	\$ 1,116,705	\$ 196,009	\$ 1,312,714		(44,224)									(5,899)					
25	Depreciation & Amortization Expenses	770,228	18,295	788,523																
26																				
27																				
28																				
29	Taxes																			
30	Federal Income Taxes	80,995	(106,096)	(25,101)																
31	State Income Taxes	8,592	(12,864)	(4,272)																
32	Property Taxes	90,735	18,901	109,635																
33	Other	182,109	(165,743)	16,366		(2)														
34	Total Taxes	\$ 362,430	\$ (265,802)	\$ 96,628		(2)														
35	Total Operating Expenses	\$ 2,249,363	\$ (51,497)	\$ 2,197,866		(44,226)									(5,899)					
36	Operating Income	\$ 229,418	\$ (116,293)	\$ 113,125		44,226									55,199					
37																				
38	Other Income & Deductions:																			
39	Interest:																			
40	Long-Term Debt	167,446	(6,019)	161,427																
41	Short-Term Debt	(16,633)	16,633	-																
42	Other	150,813	10,614	161,427																
43	Total Interest	(19,798)	19,798	-																
44	Other (Income) - Net																			
45	Total Other (Income) & Deductions	\$ 131,015	\$ 30,412	\$ 161,427																
46																				
47																				
48	Net Income	\$ 98,403	\$ (146,705)	\$ (48,302)		44,226									55,199					
49																				
50																				
51																				
52																				
53																				
54																				
55																				

**ARIZONA WATER COMPANY**  
 Test Year Ended December 31, 2014  
 Income Statement Pro Forma Adjustments

Exhibit  
 Schedule C-2 Settlement  
 Page 6 of 8  
 Witness: Reiker

Line No.	White Tank										Adjst'd w/ Increase - Settlement
	[L]	[M]	[N]	[O]	[P]	[Q]	[R]	[S]	[T]	[U]	
	BLANK	BLANK	BLANK	BLANK	Settlement No. 8	Settlement No. 9	Settlement No. 10	Total Settlement Adjustments	Adjusted Test Year - Settlement	Required Increase - Settlement	
1											
2											
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Line No.	[A] Test Year Ended 12/31/2014	[B] Pro Forma Adjustments - As Filed	[C] Adjusted Test Year - As Filed	[D] Settlement No. 1	[E] Settlement No. 2	[F] Settlement No. 3	[G] Settlement No. 4	[H] Settlement No. 5	[I] Settlement No. 6	[J] Settlement No. 7	[K] BLANK
1	Operating Revenues										
2	Residential	\$ 336,497	\$ 306,895								
3	Commercial	133,986	125,128								
4	Industrial										
5	Private Fire Service	1,276	1,200								
6	Other Water Revenues	467	564								
7	Total Water Revenues	\$ 472,227	\$ 433,787								
8											
9	Miscellaneous	4,360	4,101								
10	Total Operating Revenues	\$ 476,587	\$ 437,888								
11											
12	Operating Expenses										
13	Source of Supply Expenses:										
14	Purchased Water	117,312	117,312								
15	Other	423	(3,893)	(5)	1						
16	Pumping Expenses:										
17	Purchased Power	2,868	4,903								
18	Purchased Gas										
19	Other	18,327	(288)	(150)	39						
20	Water Treatment Expenses	23,920	23,870	(256)	54						
21	Transmission & Distribution Expenses	38,348	20,410	(422)	120		(18,953)				
22	Customer Accounting Expenses	36,916	2,065	(319)	42						
23	Customer Service & Sales Expense	46	46								
24	Administrative & General Expenses	50,526	59,465	(1,202)	1,166	(801)					
25	Total Operations & Maintenance Expense	\$ 288,686	\$ 28,794	\$ (2,355)	\$ 1,422	\$ (801)	\$ (18,953)				
26											
27	Depreciation & Amortization Expenses	59,819	66,337							(435)	
28											
29	Taxes										
30	Federal Income Taxes	18,303	(19,278)	(975)							
31	State Income Taxes	1,942	(2,108)	(166)							
32	Property Taxes	23,360	20,086								
33	Other	32,637	(26,155)	(6,482)		(136)					
34	Total Taxes	\$ 76,242	\$ (50,815)	\$ (136)							
35											
36	Total Operating Expenses	\$ 424,747	\$ 409,244	\$ (2,490)	\$ 1,422	\$ (801)	\$ (18,953)			\$ (435)	
37	Operating Income	\$ 51,840	\$ (23,196)	\$ 2,490	\$ (1,422)	\$ 801	\$ 18,953			\$ 435	
38											
39	Other Income & Deductions:										
40	Interest:										
41	Long-Term Debt	33,915	(3,393)								
42	Short-Term Debt										
43	Other	(3,969)	3,369								
44	Total Interest	\$ 30,546	\$ (25)								
45											
46	Other (Income) - Net	(3,600)	3,600								
47											
48	Total Other (Income) & Deductions	\$ 26,946	\$ 3,575								
49											
50	Net Income	\$ 24,894	\$ (26,771)	\$ (1,877)	\$ 2,490	\$ 801	\$ 18,953			\$ 435	
51											
52											
53											
54											
55											

Line No.	Aip										Adjusted Test Year Settlement	Required Increase - Settlement	Adjst'd w/ Increase - Settlement
	[L]	[M]	[N]	[O]	[P]	[Q]	[R]	[S]	[T]	[U]			
	BLANK	BLANK	BLANK	BLANK	Settlement No. 8	Settlement No. 9	Settlement No. 10	Total Settlement Adjustments					
1	Operating Revenues												
2	Residential												
3	Commercial												
4	Industrial												
5	Private Fire Service												
6	Other Water Revenues												
7	Total Water Revenues												
8													
9	Miscellaneous												
10	Total Operating Revenues												
11													
12	Operating Expenses												
13	Source of Supply Expenses:												
14	Purchased Water												
15	Other												
16	Pumping Expenses:												
17	Purchased Power												
18	Purchased Gas												
19	Other												
20	Water Treatment Expenses												
21	Transmission & Distribution Expenses												
22	Customer Accounting Expenses												
23	Customer Service & Sales Expense												
24	Administrative & General Expenses												
25	Total Operations & Maintenance Expense												
26													
27	Depreciation & Amortization Expenses												
28													
29	Taxes												
30	Federal Income Taxes												
31	State Income Taxes												
32	Property Taxes												
33	Other												
34	Total Taxes												
35													
36	Total Operating Expenses												
37	Operating Income												
38													
39	Other Income & Deductions:												
40	Interest:												
41	Long-Term Debt												
42	Short-Term Debt												
43	Other												
44	Total Interest												
45													
46	Other (Income) - Net												
47													
48	Total Other (Income) & Deductions												
49													
50	Net Income												
51													
52													
53													
54													
55													

**ARIZONA WATER COMPANY**

Test Year Ended December 31, 2014  
 Settlement Income Statement Adjustment No. 1 (Payroll)  
 - Remove: Asst. Secretary, V.P. Rates, Operations Superintendent (unfiled) & Serviceman (unfiled)  
 - Add: Mgr. of Rates  
 - Apply 1.6% Wage Increase

Exhibit  
 Schedule C-2 Settlement Appendix  
 Page 1 of 16  
 Witness: Reiker

Line No.	System	[A] Source of Supply Increase / (Decrease)	[B] Pumping Increase / (Decrease)	[C] Water Treatment Increase / (Decrease)	[D] Transmission & Distribution Increase / (Decrease)	[E] Customer Accounting Increase / (Decrease)	[F] Administrative & General Increase / (Decrease)	[G] Taxes - Other Increase / (Decrease)	[H] Total Increase / (Decrease)
1	Western Group								
2	Pinal Valley	\$ (10,050)	\$ (16,220)	\$ (11,878)	\$ (21,027)	\$ (8,356)	\$ (80,457)	\$ -	\$ (147,989)
3	White Tank	(9,479)	(10,642)	(9,544)	(10,267)	(966)	(2,519)	-	(43,416)
4	Ajo	(5)	(150)	(256)	(422)	(319)	(910)	-	(2,062)
5	Subtotal	\$ (19,534)	\$ (27,012)	\$ (21,677)	\$ (31,717)	\$ (9,641)	\$ (83,886)	\$ -	\$ (193,467)

Line No.	System	[A] Source of Supply Increase / (Decrease)	[B] Pumping Increase / (Decrease)	[C] Water Treatment Increase / (Decrease)	[D] Transmission & Distribution Increase / (Decrease)	[E] Customer Accounting Increase / (Decrease)	[F] Administrative & General Increase / (Decrease)	[G] Taxes - Other Increase / (Decrease)	[H] Total Increase / (Decrease)
6	Western Group								
7	Pinal Valley	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (3,288)	\$ (3,288)
8	White Tank	-	-	-	-	-	-	(2)	(2)
9	Ajo	-	-	-	-	-	-	(136)	(136)
10	Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (3,426)	\$ (3,426)

Line No.	System	[A] Source of Supply Increase / (Decrease)	[B] Pumping Increase / (Decrease)	[C] Water Treatment Increase / (Decrease)	[D] Transmission & Distribution Increase / (Decrease)	[E] Customer Accounting Increase / (Decrease)	[F] Administrative & General Increase / (Decrease)	[G] Taxes - Other Increase / (Decrease)	[H] Total Increase / (Decrease)
11	Western Group								
12	Pinal Valley	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (10,464)	\$ -	\$ (10,464)
13	White Tank	-	-	-	-	-	(808)	-	(808)
14	Ajo	-	-	-	-	-	(292)	-	(292)
15	Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (11,564)	\$ -	\$ (11,564)

Line No.	System	[A] Source of Supply Increase / (Decrease)	[B] Pumping Increase / (Decrease)	[C] Water Treatment Increase / (Decrease)	[D] Transmission & Distribution Increase / (Decrease)	[E] Customer Accounting Increase / (Decrease)	[F] Administrative & General Increase / (Decrease)	[G] Taxes - Other Increase / (Decrease)	[H] Total Increase / (Decrease)
16	Western Group - Total Payroll & Related								
17	Pinal Valley	\$ (10,050)	\$ (16,220)	\$ (11,878)	\$ (21,027)	\$ (8,356)	\$ (90,920)	\$ (3,288)	\$ (161,741)
18	White Tank	(9,479)	(10,642)	(9,544)	(10,267)	(966)	(3,327)	(2)	(44,226)
19	Ajo	(5)	(150)	(256)	(422)	(319)	(1,202)	(136)	(2,490)
20	Subtotal	\$ (19,534)	\$ (27,012)	\$ (21,677)	\$ (31,717)	\$ (9,641)	\$ (95,450)	\$ (3,426)	\$ (208,457)
21	Western Group - Total Payroll & Related								
22	Pinal Valley	\$ (19,534)	\$ (27,012)	\$ (21,677)	\$ (31,717)	\$ (9,641)	\$ (95,450)	\$ (3,426)	\$ (208,457)
23	White Tank	-	-	-	-	-	-	-	-
24	Ajo	-	-	-	-	-	-	-	-
25	Subtotal	\$ (19,534)	\$ (27,012)	\$ (21,677)	\$ (31,717)	\$ (9,641)	\$ (95,450)	\$ (3,426)	\$ (208,457)

**ARIZONA WATER COMPANY**

Test Year Ended December 31, 2014

Settlement Income Statement Adjustment No. 2 (Insurance)

- Adjust Insurance Expense to Reflect Current Property & Liability Insurance Premium

		Western Group - Insurance Expense						
Line No.	System	[A] Source of Supply Increase / (Decrease)	[B] Pumping Increase / (Decrease)	[C] Water Treatment Increase / (Decrease)	[D] Transmission & Distribution Increase / (Decrease)	[E] Customer Accounting Increase / (Decrease)	[F] Administrative & General Increase / (Decrease)	[G] Total Increase / (Decrease)
1	Western Group							
2								
3	Pinal Valley	\$ 49	\$ 2,720	\$ 722	\$ 6,083	\$ 1,543	\$ 53,852	\$ 64,970
4	White Tank	31	502	58	550	233	6,425	7,800
5	Ajo	1	39	54	120	42	1,166	1,422
6								
7								
8	Subtotal	\$ 81	\$ 3,262	\$ 834	\$ 6,753	\$ 1,819	\$ 61,443	\$ 74,191
9	Total	\$ 81	\$ 3,262	\$ 834	\$ 6,753	\$ 1,819	\$ 61,443	\$ 74,191
10								
11								
12	Increase/(Decrease) in Expenses							\$ 74,191
13								
14								
15								
16								
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19								
20								
21								
22								
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**ARIZONA WATER COMPANY**

Test Year Ended December 31, 2014  
 Settlement Income Statement Adjustment No. 3 (Rate Case Expense)  
 - Adjust Rate Case Expense to Reflect Settlement Amount

Exhibit  
 Schedule C-2 Settlement Appendix  
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 Witness: Reiker

Western Group - Rate Case Expense									
Line No.	System	[A] Total Rate Case Expense - As Filed	[B] Allocated Rate Case Expense - As Filed	[C] Normalization Period in Years	[D] Annual Expense - As Filed	[E] Total Rate Case Expense - Per Settlement	[F] Allocated Rate Case Expense - Per Settlement	[G] Annual Expense - Per Settlement	[H] Increase / (Decrease)
1									
2	Western Group								
3	Pinal Valley	\$ 426,148	\$ 426,148	3	\$ 142,049	\$ 315,487	\$ 105,162	\$ (36,887)	
4	White Tank	50,876	50,876	3	16,959	37,665	12,555	(4,404)	
5	Ajo	9,250	9,250	3	3,083	6,848	2,283	(801)	
6									
7	Subtotal	\$ 486,274	\$ 486,274		\$ 162,091	\$ 360,000	\$ 120,000	\$ (42,091)	
8									
9	Phoenix Office	\$ 486,274				\$ 360,000			
10									
11	Increase/(Decrease) in Rate Case Expense							\$ (42,091)	
12									
13									
14									
15									
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20									
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**ARIZONA WATER COMPANY**

Test Year Ended December 31, 2014  
 Settlement Income Statement Adjustment No. 4 (Tank Maintenance)  
 -- Adopt RUCO's Recommended Adjustment to Tank Maintenance Expense<sup>1</sup>

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 Exhibit  
 Witness: Reiter

Line No.	System	Western Group - Tank Maintenance [A]	Increase / (Decrease) - I&D
3	Western Group		
4	Pinal Valley	\$ (99,896)	
5	White Tank	(55,199)	
6	Ajo	(18,953)	
8	Subtotal	<u>\$ (174,048)</u>	
10	Total	<u>\$ (174,048)</u>	
13	Increase/(Decrease) in Expenses		<u>\$ (174,048)</u>

<sup>1</sup>See Cassidy Direct Testimony, Schedule JAC-10

**ARIZONA WATER COMPANY**

Test Year Ended December 31, 2014  
 Settlement Income Statement Adjustment No. 5 (Vehicles)  
 - Adopt Staff's Recommended Adjustment to Vehicle Expense<sup>1</sup>

Exhibit  
 Schedule C-2 Settlement Appendix  
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 Witness: Reiker

Western Group - Vehicle Expense								
Line No.	System	[A] Source of Supply Increase / (Decrease)	[B] Pumping Increase / (Decrease)	[C] Water Treatment Increase / (Decrease)	[D] Transmission & Distribution Increase / (Decrease)	[E] Customer Accounting Increase / (Decrease)	[F] Administrative & General Increase / (Decrease)	[G] Total Increase / (Decrease)
3	Western Group							
4	Pinat Valley	\$ (90)	\$ (4,713)	\$ (1,330)	\$ (8,927)	\$ (2,843)	\$ (251)	\$ (18,154)
5	White Tank	(157)	(2,444)	(300)	(1,781)	(1,199)	(18)	(5,899)
6	Ajo							
7								
8								
9	Subtotal	\$ (247)	\$ (7,157)	\$ (1,630)	\$ (10,708)	\$ (4,042)	\$ (269)	\$ (24,053)
10	Total	\$ (247)	\$ (7,157)	\$ (1,630)	\$ (10,708)	\$ (4,042)	\$ (269)	\$ (24,053)
11								
12								
13	Increase/(Decrease) in Expenses							\$ (24,053)
14								
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<sup>1</sup>See Baxter Direct Testimony, Schedule BAB-14a.

**ARIZONA WATER COMPANY**

Test Year Ended December 31, 2014  
 Settlement Income Statement Adjustment No. 6 (Deferred CAP Amortization)  
 - Increase Amortization Period for Additional Deferred CAP M&I Capital Charges  
 from 20 Years to 25 Years

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 Witness: Reiker

Line No.	Pinal Valley -	
	Purchased Water Expense [A]	Purchased Water Expense [B]
1	\$ 4,398,823	
2		
3		
4	20	
5		
6		\$ 219,941
7		
8	25	
9		
10		\$ 175,953
11		
12		
13		
14		
15		
16		
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**ARIZONA WATER COMPANY**

Test Year Ended December 31, 2014  
 Settlement Income Statement Adjustment No. 7 (Depreciation)  
 - Adjust Depreciation Expense to Reflect Settlement Plant Balances

		Pinal Valley					
[A]	[B]	[C]	[D]	[E]	[F]	[G]	
Line No.	Account Description	Settlement Rate Base Adjustments - Direct Plant	Settlement Rate Base Adjustments - P.T.Y.P.	Increase / (Decrease) Phoenix Office (3-factor Alloc.) 0.3317	Increase / (Decrease) Meter Shop (3-factor Alloc.) 0.3317	Total Increase / (Decrease) [D + E + F]	
1	Intangible Plant						
2	301 Organization	\$ -	\$ -	\$ -	\$ -	\$ -	
3	302 Franchises						
4	303 Other Intangibles						
5	Subtotal Intangible Plant	\$ -	\$ -	\$ -	\$ -	\$ -	
6	Source of Supply Plant						
7	310.1 Water Rights						
8	310.3 Other Source of Supply Land						
9	310.4 Wells - Other						
10	314 Wells	16,383	16,383	513	513	513	
11	Subtotal Source of Supply Plant	\$ 16,383	\$ 16,383	\$ 513	\$ 513	\$ 513	
12	Pumping Plant						
13	320 Pumping Plant Land						
14	321 Pumping Plant Structures & Improvements		(23,431)			(670)	
15	325 Electric Pumping Equipment		(112,300)			(6,603)	
16	328 Gas Engine Equipment						
17	Subtotal Pumping Plant	\$ -	\$ (135,731)	\$ (7,273)	\$ -	\$ (7,273)	
18	Water Treatment Plant						
19	330 Water Treatment Plant Land						
20	331 Water Treatment Structures & Improvements						
21	332 Water Treatment Equipment		(1,551,257)			(44,366)	
22	Subtotal Water Treatment Plant	\$ -	\$ (1,551,257)	\$ (44,366)	\$ -	\$ (44,366)	
23	Transmission & Distribution Plant						
24	340 Transmission and Distribution Land						
25	341 Transmission and Distribution Structures						
26	342 Storage Tanks		9,622			192	
27	343 Transmission & Distribution Mains		(133,824)			(2,395)	
28	344 Fire Sprinkler Taps						
29	345 Services		(168,925)			(4,020)	
30	346 Meters		(404,063)			(18,385)	
31	348 Hydrants		(14,217)			(259)	
32	Subtotal Transmission & Distribution Plant	\$ -	\$ (711,406)	\$ (24,867)	\$ -	\$ (24,867)	
33	General Plant						
34	389 General Plant Land						
35	390 General Plant Structures		6,073			152	
36	390.1 Leasehold Improvements						
37	391 Office Furniture & Equipment		(8,000)			(17)	
38	393 Warehouse Equipment			(897)		(1,447)	
39	394 Tools, Shop & Garage Equipment		(12,000)			(493)	
40	395 Laboratory Equipment						
41	396 Power Operated Equipment						
42	397 Communication Equipment		(7,623)			(1,881)	
43	398 Miscellaneous Equipment					(221)	
44	Subtotal General Plant	\$ -	\$ (21,550)	\$ (1,370)	\$ (2,999)	\$ (30)	
45	Totals	\$ -	\$ (2,403,561)	\$ (77,364)	\$ (2,999)	\$ (80,392)	
46	Amortization of Regulatory Assets/(Liabilities) (Sch. B-2 Rebuttal Appndx.)					note_3	
47	Less: Contribution Depreciation						
48							
49							
50	Total Increase/(Decrease) in Depreciation & Amortization Expense - Settlement					\$ (80,392)	
51							
52	note_1 Acct. 302 - Franchises amortized over 25 years. Acct. 303 - Other intangibles amortized over 15 & 20 Years.						
53	Acct. 310.4 - Wells - Other amortized over 24 years. Accumulated Amortization booked to Acct. 111 - Amort. Of Ltd. Term Investments.						
54	note_2 Acct. 390.1 - Leasehold improvements amortized over the remaining life of the associated lease.						
55	note_3 Amortization of deferred CAP M&J Capital charges included in rate base is charged to account 60220 - Purchased CAP water.						

**ARIZONA WATER COMPANY**

Test Year Ended December 31, 2014  
 Settlement Income Statement Adjustment No. 7 (Depreciation) (continued)  
 - Adjust Depreciation Expense to Reflect Settlement Plant Balances

Exhibit  
 Schedule C-2 Settlement Appendix  
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 Witness: Reiker

		White Tank					
[A]	[B]	[C]	[D]	[E]	[F]	[G]	
Line No.	Acct. No.	Settlement Rate Base Adjustments - Direct Plant	Settlement Rate Base Adjustments - P.T.Y.P.	Increase / (Decrease) Phoenix Office (3-factor Alloc.) 0.0396	Increase / (Decrease) Meter Shop (3-factor Alloc.) 0.0396	Total Increase / (Decrease) (D + E + F)	
1	Intangible Plant						
2	301 Organization	\$ -	\$ -	\$ -	\$ -	\$ -	
3	302 Franchises						
4	303 Other Intangibles						
5	Subtotal Intangible Plant	\$ -	\$ -	\$ -	\$ -	\$ -	
6	Source of Supply Plant						
7	310.1 Water Rights		\$ -				
8	310.3 Other Source of Supply Land						
9	310.4 Wells - Other						
10	314 Wells						
11	Subtotal Source of Supply Plant	\$ -	\$ -	\$ -	\$ -	\$ -	
12	Pumping Plant						
13	320 Pumping Plant Land						
14	321 Pumping Plant Structures & Improvements						
15	325 Electric Pumping Equipment		(3,145)			(185)	
16	328 Gas Engine Equipment						
17	Subtotal Pumping Plant	\$ -	(3,145)	(185)	\$ -	(185)	
18	Water Treatment Plant						
19	330 Water Treatment Plant Land						
20	331 Water Treatment Structures & Improvements						
21	332 Water Treatment Equipment		187			5	
22	Subtotal Water Treatment Plant	\$ -	187	5	\$ -	5	
23	Transmission & Distribution Plant						
24	340 Transmission and Distribution Land						
25	341 Transmission and Distribution Structures						
26	342 Storage Tanks						
27	343 Transmission & Distribution Mains		(1,471)			(26)	
28	344 Fire Sprinkler Taps						
29	345 Services		(25,000)			(595)	
30	346 Meters		(38,800)			(1,765)	
31	348 Hydrants		(5,000)			(91)	
32	Subtotal Transmission & Distribution Plant	\$ -	(70,271)	(2,478)	\$ -	(2,478)	
33	General Plant						
34	389 General Plant Land						
35	390 General Plant Structures						
36	390.1 Leasehold Improvements						
37	391 Office Furniture & Equipment		(1,000)		(107)	(2)	
38	393 Warehouse Equipment						
39	394 Tools, Shop & Garage Equipment		(1,250)			(2)	
40	395 Laboratory Equipment						
41	396 Power Operated Equipment						
42	397 Communication Equipment		9,310			396	
43	398 Miscellaneous Equipment				(225)	(26)	
44	Subtotal General Plant	\$ -	7,060	(358)	(4)	143	
45	Totals	\$ -	(66,170)	(2,153)	(4)	(2,515)	
46	Amortization of Regulatory Assets/(Liabilities) (Sch. B-2 Rebutal Appndx.)						
47	Less: Contribution Depreciation						
48	Total Increase/(Decrease) in Depreciation & Amortization Expense - Settlement						
49							
50							
51							
52							
53	note_1 Acct. 302 - Franchises amortized over 25 years. Acct. 303 - Other intangibles amortized over 15 & 20 Years.						
54	Acct. 310.4 - Wells - Other amortized over 24 years. Accumulated Amortization booked to Acct. 111 - Amort. Of Ltd. Term Investments.						
55	note_2 Acct. 390.1 - Leasehold improvements amortized over the remaining life of the associated lease.						

**ARIZONA WATER COMPANY**

Test Year Ended December 31, 2014  
 Settlement Income Statement Adjustment No. 7 (Depreciation) (continued)  
 - Adjust Depreciation Expense to Reflect Settlement Plant Balances

Line No.	Acct. No.	[A] Depreciation Rate	[B] Settlement Rate Base Adjustments - Direct Plant	[C] Settlement Rate Base Adjustments - P.T.Y.P.	[D] Increase (Decrease) Depr. Exp.	[E] Increase (Decrease) Phoenix Office (3-factor Alloc.) 0.0072	[F] Increase (Decrease) Meter Shop (3-factor Alloc.) 0.0072	[G] Total Increase / (Decrease) [D + E + F]
1	Intangible Plant							
2	301 Organization	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3	302 Franchises	note_1						
4	303 Other Intangibles	note_1						
5	Subtotal Intangible Plant		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6	Source of Supply Plant							
7	310.1 Water Rights	0.00%						
8	310.3 Other Source of Supply Land	0.00%						
9	310.4 Wells - Other	note_1						
10	314 Wells	3.13%						
11	Subtotal Source of Supply Plant		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
12	Pumping Plant							
13	320 Pumping Plant Land	0.00%						
14	321 Pumping Plant Structures & Improvements	2.86%						
15	325 Electric Pumping Equipment	5.88%						
16	328 Gas Engine Equipment	4.00%						
17	Subtotal Pumping Plant		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
18	Water Treatment Plant							
19	330 Water Treatment Plant Land	0.00%						
20	331 Water Treatment Structures & Improvements	2.50%						
21	332 Water Treatment Equipment	2.86%						
22	Subtotal Water Treatment Plant		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
23	Transmission & Distribution Plant							
24	340 Transmission and Distribution Land	0.00%						
25	341 Transmission and Distribution Structures	3.33%						
26	342 Storage Tanks	2.00%						
27	343 Transmission & Distribution Mains	1.79%		(2,000)	(36)			(36)
28	344 Fire Sprinkler Taps	2.00%						
29	345 Services	2.38%		(5,000)	(119)			(119)
30	346 Meters	4.55%		(4,200)	(191)			(191)
31	348 Hydrants	1.82%						
32	Subtotal Transmission & Distribution Plant		\$ -	(11,200)	(346)	\$ -	\$ -	(346)
33	General Plant							
34	389 General Plant Land	0.00%						
35	390 General Plant Structures	2.50%						
36	390.1 Leasehold Improvements	note_2						
37	391 Office Furniture & Equipment	6.67%		(200)	(13)			(33)
38	393 Warehouse Equipment	5.00%						
39	394 Tools, Shop & Garage Equipment	4.00%		(250)	(10)			(10)
40	395 Laboratory Equipment	5.00%						
41	396 Power Operated Equipment	6.67%						
42	397 Communication Equipment	6.67%						
43	398 Miscellaneous Equipment	3.33%						
44	Subtotal General Plant		\$ -	(450)	(23)	(65)	(1)	(5)
45	Totals		\$ -	(11,650)	(369)	(65)	(1)	(435)
46	47 Amortization of Regulatory Assets/(Liabilities) (Sch. B-2 Rebuttal Appnd.)							
47	48 Less: Contribution Depreciation	2.00%						
48	49							
49	50 Total Increase/(Decrease) in Depreciation & Amortization Expense - Settlement							\$ (435)
50	51							
51	52							
52	53 note_1 Acct. 302 - Franchises amortized over 25 years. Acct. 303 - Other intangibles amortized over 15 & 20 Years.							
53	54 Acct. 310.4 - Wells - Other amortized over 24 years. Accumulated Amortization booked to Acct. 111 - Amort. Of Ltd. Term Investments.							
54	55 note_2 Acct. 390.1 - Leasehold Improvements amortized over the remaining life of the associated lease.							

**ARIZONA WATER COMPANY**

Test Year Ended December 31, 2014  
 Settlement Income Statement Adjustment No. 7 (Depreciation) (continued)  
 - Adjust Depreciation Expense to Reflect Settlement Plant Balances

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Line No.	Acct. No.	Description	Phoenix Office			Increase / (Decrease) Depr. Exp.
			[A] Depreciation Rate	[B] Settlement Rate Base Adjustments - Direct Plant	[C] Settlement Rate Base Adjustments - P.T.Y.P.	
1		Intangible Plant				
2	301	Organization	0.00%	\$ -	-	\$ -
3	302	Franchises	note_1	-	-	-
4	303	Other Intangibles	note_1	-	-	-
5		Subtotal Intangible Plant		\$ -	-	\$ -
6		Source of Supply Plant				
7	310.1	Water Rights	0.00%	-	-	-
8	310.3	Other Source of Supply Land	0.00%	-	-	-
9	310.4	Wells - Other	note_1	-	-	-
10	314	Wells	3.13%	-	-	-
11		Subtotal Source of Supply Plant		\$ -	-	\$ -
12		Pumping Plant				
13	320	Pumping Plant Land	0.00%	-	-	-
14	321	Pumping Plant Structures & Improvements	2.86%	-	-	-
15	325	Electric Pumping Equipment	5.88%	-	-	-
16	328	Gas Engine Equipment	4.00%	-	-	-
17		Subtotal Pumping Plant		\$ -	-	\$ -
18		Water Treatment Plant				
19	330	Water Treatment Plant Land	0.00%	-	-	-
20	331	Water Treatment Structures & Improvements	2.50%	-	-	-
21	332	Water Treatment Equipment	2.86%	-	-	-
22		Subtotal Water Treatment Plant		\$ -	-	\$ -
23		Transmission & Distribution Plant				
24	340	Transmission and Distribution Land	0.00%	-	-	-
25	341	Transmission and Distribution Structures	3.33%	-	-	-
26	342	Storage Tanks	2.00%	-	-	-
27	343	Transmission & Distribution Mains	1.79%	-	-	-
28	344	Fire Sprinkler Taps	2.00%	-	-	-
29	345	Services	2.38%	-	-	-
30	346	Meters	4.55%	-	-	-
31	348	Hydrants	1.82%	-	-	-
32		Subtotal Transmission & Distribution Plant		\$ -	-	\$ -
33		General Plant				
34	388	General Plant Land	0.00%	-	-	-
35	390	General Plant Structures	2.50%	-	-	-
36	390.1	Leasehold Improvements	note_2	(31,000)	-	(31,000)
37	391	Office Furniture & Equipment	6.67%	(40,556)	-	(40,556)
38	393	Warehouse Equipment	5.00%	-	-	-
39	394	Tools, Shop & Garage Equipment	4.00%	-	-	-
40	395	Laboratory Equipment	5.00%	-	-	-
41	396	Power Operated Equipment	6.67%	-	-	-
42	397	Communication Equipment	6.67%	(85,000)	-	(85,000)
43	398	Miscellaneous Equipment	3.33%	(20,000)	-	(20,000)
44		Subtotal General Plant		\$ -	(176,556)	\$ (176,556)
45		Totals		\$ -	(176,556)	\$ (176,556)
46		Amortization of Regulatory Assets/(Liabilities) (Sch. B-2 Rebuttal Appndx.)				
47		Less: Contribution Depreciation	2.00%			
48						
49		Total Increase/(Decrease) in Depreciation & Amortization Expense - Settlement				\$ (9,041)
50						
51						
52						
53		note_1 Acct. 302 - Franchises amortized over 25 years. Acct. 303 - Other intangibles amortized over 15 & 20 Years.				
54		Acct. 310.4 - Wells - Other amortized over 24 years. Accumulated Amortization booked to Acct. 111 - Amort. Of Ltd. Term Investments.				
55		note_2 Acct. 390.1 - Leasehold improvements amortized over the remaining life of the associated lease.				

**ARIZONA WATER COMPANY**

Test Year Ended December 31, 2014  
 Settlement Income Statement Adjustment No. 7 (Depreciation) (continued)  
 - Adjust Depreciation Expense to Reflect Settlement Plant Balances

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Line No.	Acct. No.	[A] Depreciation Rate	[B] Settlement Rate Base Adjustments - Direct Plant	[C] Meter Shop Settlement Rate Base Adjustments - P.T.Y.P.	[D] Increase / (Decrease) Depr. Exp.
1	Intangible Plant				
2	301 Organization	0.00%	\$ -	-	\$ -
3	302 Franchises	note_1	-	-	-
4	303 Other Intangibles	note_1	-	-	-
5	Subtotal Intangible Plant		\$ -	-	\$ -
6	Source of Supply Plant				
7	310.1 Water Rights	0.00%	-	-	-
8	310.3 Other Source of Supply Land	0.00%	-	-	-
9	310.4 Wells - Other	note_1	-	-	-
10	314 Wells	3.13%	-	-	-
11	Subtotal Source of Supply Plant		\$ -	-	\$ -
12	Pumping Plant				
13	320 Pumping Plant Land	0.00%	-	-	-
14	321 Pumping Plant Structures & Improvements	2.86%	-	-	-
15	325 Electric Pumping Equipment	5.88%	-	-	-
16	328 Gas Engine Equipment	4.00%	-	-	-
17	Subtotal Pumping Plant		\$ -	-	\$ -
18	Water Treatment Plant				
19	330 Water Treatment Plant Land	0.00%	-	-	-
20	331 Water Treatment Structures & Improvements	2.50%	-	-	-
21	332 Water Treatment Equipment	2.86%	-	-	-
22	Subtotal Water Treatment Plant		\$ -	-	\$ -
23	Transmission & Distribution Plant				
24	340 Transmission and Distribution Land	0.00%	-	-	-
25	341 Transmission and Distribution Structures	3.33%	-	-	-
26	342 Storage Tanks	2.00%	-	-	-
27	343 Transmission & Distribution Mains	1.79%	-	-	-
28	344 Fire Sprinkler Taps	2.00%	-	-	-
29	345 Services	2.38%	-	-	-
30	346 Meters	4.55%	-	-	-
31	348 Hydrants	1.82%	-	-	-
32	Subtotal Transmission & Distribution Plant		\$ -	-	\$ -
33	General Plant				
34	389 General Plant Land	0.00%	-	-	-
35	390 General Plant Structures	2.50%	-	-	-
36	390.1 Leasehold Improvements	note_2	-	-	-
37	391 Office Furniture & Equipment	6.67%	(750)	(750)	(50)
38	393 Warehouse Equipment	5.00%	-	-	-
39	394 Tools, Shop & Garage Equipment	4.00%	(1,000)	(1,000)	(40)
40	395 Laboratory Equipment	5.00%	-	-	-
41	396 Power Operated Equipment	6.67%	-	-	-
42	397 Communication Equipment	6.67%	-	-	-
43	398 Miscellaneous Equipment	3.33%	-	-	-
44	Subtotal General Plant		\$ -	(1,750)	\$ (90)
45	Totals		\$ -	(1,750)	\$ (90)
46	47 Amortization of Regulatory Assets/(Liabilities) (Sch. B-2 Rebuttal Appndx.)		-	(1,750)	(90)
48	48 Less: Contribution Depreciation	2.00%	-	-	-
49	49 Total Increase/(Decrease) in Depreciation & Amortization Expense - Settlement				\$ (90)

note\_1 Acct. 302 - Franchises amortized over 25 years. Acct. 303 - Other intangibles amortized over 15 & 20 Years.  
 Acct. 310.4 - Wells - Other amortized over 24 years. Accumulated Amortization booked to Acct. 111 - Amort. Of Ltd. Term Investments.  
 note\_2 Acct. 390.1 - Leasehold improvements amortized over the remaining life of the associated lease.

**ARIZONA WATER COMPANY**

Test Year Ended December 31, 2014  
 Settlement Income Statement Adjustment No. 8 (Synchronized Interest)  
 - Synchronize Interest Expense with Rate Base

Exhibit  
 Schedule C-2 Settlement Appendix  
 Page 12 of 16  
 Witness: Reiker

Line No.	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]
	Settlement - Orig. Cost Rate Base Sch. B-1 Ln. 23	Weighted Cost of Long- Term Debt Sch. D-1	Synchronized Interest - Long-Term Debt	Adjusted T.Y. Long-Term Interest - As Filed	Increase / (Decrease) Long-Term Interest Exp.	Weighted Cost of Short- Term Debt Sch. D-1	Synchronized Interest - Short-Term Debt	Adjusted T.Y. Short-Term Interest - As Filed	Increase / (Decrease) Short-Term Interest Exp.	Test Year Other Interest - As Filed	Increase / (Decrease) Other Interest Exp.
1	System										
2	Western Group										
3	Pinal Valley	\$ 57,511,994	\$ 1,817,629	\$ 1,938,746	\$ (121,117)	0.00%					
4	White Tank	4,964,851	156,911	161,427	(4,516)	0.00%					
5	Ajo	946,016	29,898	30,521	(623)	0.00%					
6	Subtotal	\$ 63,422,861	\$ 2,004,438	\$ 2,130,695	\$ (126,257)						
7	Total	\$ 63,422,861	\$ 2,004,438	\$ 2,130,695	\$ (126,257)						
8											
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Increase/(Decrease) in Expenses

\$ (126,257)

**ARIZONA WATER COMPANY**

Test Year Ended December 31, 2014  
 Settlement Income Statement Adjustment No. 9 (Property Taxes)  
 - Adjust Property Taxes

Exhibit  
 Schedule C-2 Settlement Appendix  
 Page 13 of 16  
 Witness: Reiker

Line No.	Pinal Valley		White Tank		Ajo	
	[A] T.Y. Adjust'd - Settlement	[B] Adjusted - Settlement w/ Increase	[C] T.Y. Adjust'd - Settlement	[D] Adjusted - Settlement w/ Increase	[E] T.Y. Adjust'd - Settlement	[F] Adjusted - Settlement w/ Increase
1						
2	Adjusted Revenues - Settlement	\$ 18,467,889	\$ 2,310,991	\$ 2,310,991	\$ 437,888	\$ 437,888
3	Adjusted Revenues - Settlement	18,467,889	2,310,991	2,310,991	437,888	437,888
4	Adjusted Revenues - Settlement / Proposed Revenues	18,467,889	2,310,991	2,310,991	437,888	501,834
5						
6	Average Revenue	\$ 18,467,889	\$ 2,310,991	\$ 2,445,892	\$ 437,888	\$ 459,204
7						
8	Average Revenue Multiplied by 2	\$ 36,935,778	\$ 4,621,982	\$ 4,891,784	\$ 875,777	\$ 918,407
9						
10						
11						
12						
13						
14						
15						
16	Deduct:					
17	Net Book Value of Transportation Equipment	\$ -	\$ -	\$ -	\$ -	\$ -
18						
19	Full Cash Value	\$ 36,935,778	\$ 4,621,982	\$ 4,891,784	\$ 875,777	\$ 918,407
20	Assessment Ratio	18.0%	18.0%	18.0%	18.0%	18.0%
21	Assessed Value	6,648,440	831,957	880,521	157,640	165,313
22	Property Tax Rate	14.58%	13.18%	13.18%	12.74%	12.74%
23	Property Tax	969,214	109,635	116,035	20,086	21,064
24	Tax on Parcels					
25	Total Property Taxes - Calculated	\$ 969,214	\$ 1,041,014	\$ 1,160,335	\$ 20,086	\$ 21,064
26	Adjusted Property Taxes - As filed	969,214	109,635	109,635	20,086	20,086
27	Increase / (Decrease) in Property Taxes - Settlement					
28	Adjusted Property Taxes - Settlement					
29	Inc. / (Dec.) in Property Taxes at Proposed Rates - Settlement	\$ 71,799	\$ 6,400	\$ 978		
30	As % of Change in Revenue Requirement	1.75%	1.58%	1.53%		1.53%
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**ARIZONA WATER COMPANY**

Test Year Ended December 31, 2014  
 Settlement Income Statement Adjustment No. 9 (Property Taxes) (continued)  
 - Adjust Property Taxes

Exhibit  
 Schedule C-2 Settlement Appendix  
 Page 14 of 16  
 Witness: Reiker

Line No.	Western Group	
	(A)	(B)
	T.Y. Adjusted - Settlement	Adjusted - Settlement w/ Increase
2	\$ 21,216,768	\$ 21,216,768
3	21,216,768	21,216,768
4	21,216,768	25,789,706
5	Average Revenue	\$ 22,741,081
6	Average Revenue Multiplied by 2	\$ 45,482,161
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15		
16	Deduct:	
17	Net Book Value of Transportation Equipment	\$ -
18		
19	Full Cash Value	\$ 45,482,161
20	Assessment Ratio	18.0%
21	Assessed Value	7,638,037
22	Property Tax Rate	14.39%
23	Property Tax	1,098,936
24	Tax on Parcels	1,178,113
25	Total Property Taxes - Calculated	\$ 1,098,936
26	Adjusted Property Taxes - As filed	1,098,936
27	Increase / (Decrease) in Property Taxes - Settlement	1,098,936
28	Adjusted Property Taxes - Settlement	\$ 79,177
29	Inc. / (Dec.) in Property Taxes at Proposed Rates - Settlement	1,098,936
30	As % of Change in Revenue Requirement	1.73%
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**ARIZONA WATER COMPANY**

Test Year Ended December 31, 2014  
 Settlement Income Statement Adjustment No. 10 (Income Taxes)  
 - Adjust Income Taxes to Reflect Adjusted Test Year Results & Proposed Revenues

Exhibit  
 Schedule C-2 Settlement Appendix  
 Page 16 of 16  
 Witness: Reiker

Line No.	Pinal Valley		White Tank		Ajo	
	[A] T.Y. Adjusted - Settlement	[B] Adjusted - Settlement w/ Increase	[C] T.Y. Adjusted - Settlement	[D] Adjusted - Settlement w/ Increase	[E] T.Y. Adjusted - Settlement	[F] Adjusted - Settlement w/ Increase
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**ARIZONA WATER COMPANY**

Test Year Ended December 31, 2014  
 Settlement Income Statement Adjustment IS-10 (Income Taxes) (continued)  
 - Adjust Income Taxes to Reflect Adjusted Test Year Results & Proposed Revenues

Exhibit  
 Schedule C-2 Settlement Appendix  
 Page 16 of 16  
 Witness: Reiker

Line No.	Western Group	
	(A)	(B)
	T.Y. Adjusted - Settlement	Adjusted - Settlement w/ Increase
2	\$ 2,996,615	\$ 7,480,528
3	2,004,438	2,004,438
4	\$ 992,178	\$ 5,476,090
5		
6	\$ 54,570	\$ 301,185
7		
8		
9		
10	\$ 992,178	\$ 5,476,090
11	54,570	301,185
12	\$ 937,608	\$ 5,174,905
13		
14		
15		
16	320,623	1,769,602
17		
18		
19		
20		
21	\$ 320,623	\$ 1,769,602
22		
23		
24		
25		
26	\$ 375,193	\$ 2,070,787
27	37.82%	37.82%
28		
29	5.50%	5.50%
30	32.32%	32.32%
31		
32		
33	\$ 117,669	\$ 320,623
34	202,953	1,448,979
35		
36	\$ 20,027	\$ 54,570
37	34,543	246,615
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Western Group  
 [A]

Line No.	Description	
1	Effective Federal Income Tax Rate	32.32%
2	(Sch. C-2 Appdx.)	
3	Effective State Income Tax Rate	5.50%
4	(Sch. C-2 Appdx.)	
5	Combined Federal & State Income Tax Rate	37.82%
6	(Ln. 2 + Ln. 5)	
7	100% Minus Combined Federal & State Income Tax Rate	62.18%
8	Uncollectible Rate	0.22%
9	Effective Uncollectible Factor	0.13%
10	(Ln. 11 x Ln. 13)	
11	100% Minus Effective Uncollectible Factor	99.87%
12	Property Tax Factor	1.73%
13	(Sch. C-2 Appdx.)	
14	Effective Property Tax Factor	1.08%
15	(Ln. 11 x Ln. 20)	
16	Combined Federal & State Income & Property Tax Rate	38.89%
17	(Ln. 8 + Ln. 23)	
18	Operating Income %	60.97%
19	(Ln. 18 - Ln. 26)	
20	Revenue Conversion Factor	1.6400
21	(100% + Ln. 29)	
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Supporting Schedules:

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 Processing Date: 5/4/2016 8:02 AM

Receipt Schedules:  
 A-1 Settlement

**ARIZONA WATER COMPANY**  
 Test Year Ended December 31, 2014  
 Computation of Gross Revenue Conversion Factor

Exhibit  
 Schedule C-3 Settlement  
 Page 2 of 2  
 Witness: Reiter

Line No.	Description	Pinal Valley [A]	White Tank [B]	Ajo [C]
1				
2	Effective Federal Income Tax Rate	32.32%	32.32%	32.32%
3	(Sch. C-2 Appdx.)			
4				
5	Effective State Income Tax Rate	5.50%	5.50%	5.50%
6	(Sch. C-2 Appdx.)			
7				
8	Combined Federal & State Income Tax Rate	37.82%	37.82%	37.82%
9	(Ln. 2 + Ln. 5)			
10				
11	100% Minus Combined Federal & State Income Tax Rate	62.18%	62.18%	62.18%
12				
13	Uncollectible Rate	0.21%	0.23%	0.23%
14				
15	Effective Uncollectible Factor	0.13%	0.14%	0.14%
16	(Ln. 11 x Ln. 13)			
17				
18	100% Minus Effective Uncollectible Factor	99.87%	99.86%	99.86%
19				
20	Property Tax Factor	1.75%	1.58%	1.53%
21	(Sch. C-2 Appdx.)			
22				
23	Effective Property Tax Factor	1.09%	0.98%	0.95%
24	(Ln. 11 x Ln. 20)			
25				
26	Combined Federal & State Income & Property Tax Rate	38.90%	38.80%	38.77%
27	(Ln. 8 + Ln. 23)			
28				
29	Operating Income %	60.96%	61.06%	61.09%
30	(Ln. 18 - Ln. 26)			
31				
32	Revenue Conversion Factor	1.6403	1.6377	1.6369
33	(100% ÷ Ln. 29)			
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Western Group

Line No.	Description	End of Test Year - Actual			
		Dollar Amount <sup>1</sup>	Percent of Total	Rate of Return	Weighted Return
2	Short-Term Debt	\$ -	0.00%	0.00%	0.00%
4	Long-Term Debt	28,387,500	46.31%	6.82%	3.16%
6	Common Equity	32,914,056	53.69%	7.45%	4.00%
8	Totals	<u>\$ 61,301,556</u>	<u>100.00%</u>		<u>7.16%</u>

Proposed - As Filed				
Line No.	Description	Proposed - As Filed		
		Dollar Amount <sup>1</sup>	Percent of Total	Weighted Cost
20	Short-Term Debt	\$ -	0.00%	0.00%
22	Long-Term Debt	28,492,500	46.31%	6.82%
24	Common Equity	33,035,799	53.69%	10.75%
25	Totals	<u>\$ 61,528,299</u>	<u>100.00%</u>	<u>8.33%</u>

Settlement				
Line No.	Description	Settlement		
		Dollar Amount <sup>1</sup>	Percent of Total	Weighted Cost
38	Short-Term Debt	\$ -	0.00%	0.00%
40	Long-Term Debt	28,492,500	46.31%	6.82%
42	Common Equity	33,035,799	53.69%	10.00%
43	Totals	<u>\$ 61,528,299</u>	<u>100.00%</u>	<u>8.53%</u>

<sup>1</sup>Allocated based on 3-factor methodology

**ARIZONA WATER COMPANY**  
 Test Year Ended December 31, 2014  
 Summary of Revenues by Customer Classification  
 Present & Proposed Rates

Line No.	Customer Classification	Company - As Filed				Settlement		
		[A] Test Year Rates Sch. H-2 Col. E	[B] Proposed Rates Sch. H-2 Col. F	[C] Proposed Increase Amount	[D] %	[E] Proposed Rates Sch. H-2 Col. I	[F] Proposed Increase Amount	[G] %
1	Residential	\$ 13,396,945	\$ 17,069,179	\$ 3,672,234	27.41%	\$ 16,286,196	\$ 2,889,251	21.57%
2	Commercial	5,959,602	7,935,581	1,975,979	33.16%	7,465,458	1,505,857	25.27%
3	Industrial	161,824	217,366	55,542	34.32%	218,971	57,147	35.31%
4	Large Industrial	225,896	306,103	80,206	35.51%	309,009	83,113	36.79%
5	Abbot Laboratories	586,240	672,045	85,805	14.64%	498,034	(88,207)	-15.05%
6	Private Fire Service	124,650	174,510	49,860	40.00%	174,510	49,860	40.00%
7	Other Water Revenues	251,834	342,551	90,717	36.02%	327,686	75,852	30.12%
8	Total Water Revenues	\$ 20,706,991	\$ 26,717,335	\$ 6,010,343	29.03%	\$ 25,279,694	\$ 4,572,873	22.09%
9	Miscellaneous Revenues	509,842	509,842	-	0.00%	509,842	-	0.00%
10	Total Operating Revenues	\$ 21,216,833	\$ 27,227,177	\$ 6,010,344	28.33%	\$ 25,789,706	\$ 4,572,873	21.55%
11	Target Revenue Requirement (Sch. C-1, Ln. 10)		\$ 27,227,177			\$ 25,789,706		
12	Difference (Ln. 16 - Ln. 19)		\$ 0		0.00%	\$ 0		0.00%
13	%				0.00%			0.00%

Supporting Schedules:  
 H-2 Settlement

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Recap Schedules:  
 A-1 Settlement

**ARIZONA WATER COMPANY**  
 Test Year Ended December 31, 2014  
 Summary of Revenues by Customer Classification  
 Present & Proposed Rates

Exhibit  
 Schedule H-1 Settlement  
 Page 2 of 4  
 Witness: Reiker

Line No.	Customer Classification	[A] Test Year Rates		[B] Proposed Rates		[C] Company - As Filed		[D] Pinal Valley		[E] Proposed Rates		[F] Settlement		[G]
		Sch. H-2 Col. E		Sch. H-2 Col. F		Proposed Increase Amount		Proposed Increase %		Sch. H-2 Col. I		Proposed Increase Amount		%
		\$		\$		\$		%		\$		\$		
1	Residential	11,298,423	14,478,782	14,478,782	28.15%	3,180,359	28.15%	13,837,510	22.47%	2,539,087	22.47%	2,539,087	22.47%	
2	Commercial	5,412,847	7,237,593	7,237,593	33.71%	1,824,746	33.71%	6,812,239	25.85%	1,399,392	25.85%	1,399,392	25.85%	
3	Industrial	161,824	217,366	217,366	34.32%	55,542	34.32%	218,971	35.31%	57,147	35.31%	57,147	35.31%	
4	Large Industrial	209,904	282,545	282,545	34.61%	72,641	34.61%	285,452	35.99%	75,548	35.99%	75,548	35.99%	
5	Abbott Laboratories	586,240	672,045	672,045	14.64%	85,805	14.64%	498,034	-15.05%	(88,207)	-15.05%	(88,207)	-15.05%	
6	Private Fire Service	121,650	170,310	170,310	40.00%	48,660	40.00%	170,310	40.00%	48,660	40.00%	48,660	40.00%	
7	Other Water Revenues	215,938	302,299	302,299	39.98%	86,361	39.98%	288,542	33.62%	72,604	33.62%	72,604	33.62%	
8	Total Water Revenues	18,006,827	23,360,941	23,360,941	29.73%	5,354,114	29.73%	22,111,057	22.79%	4,104,231	22.79%	4,104,231	22.79%	
9	Miscellaneous Revenues	461,120	461,120	461,120	0.00%	-	0.00%	461,120	0.00%	-	0.00%	-	0.00%	
10	Total Operating Revenues	18,467,946	23,822,061	23,822,061	28.98%	5,354,114	28.98%	22,572,177	22.22%	4,104,231	22.22%	4,104,231	22.22%	
11	Target Revenue Requirement (Sch. C-1, Ln. 10)		23,822,061	23,822,061										
12	Difference (Ln. 10 - Ln. 11)		0	0				0						
13	%		0.00%	0.00%				0.00%						

**ARIZONA WATER COMPANY**  
 Test Year Ended December 31, 2014  
 Summary of Revenues by Customer Classification  
 Present & Proposed Rates

Line No.	White Tank											
	[A]		[B]		[C]		[D]		[E]		[F]	[G]
	Test Year Rates		Proposed Rates		Company - As Filed		Proposed Increase		Proposed Rates		Settlement	
	Sch. H-2 Col. E	\$	Sch. H-2 Col. F	\$	Sch. H-2 Col. F	Proposed Increase Amount	%	Sch. H-2 Col. I	\$	Proposed Increase Amount	%	
1	<u>Customer Classification</u>											
2	Residential	1,791,595	2,220,136	428,541	23.92%	2,097,342	23.92%	2,097,342	305,747	17.07%		
3	Commercial	421,627	542,416	120,789	28.65%	509,038	28.65%	509,038	87,411	20.73%		
4	Industrial				0.00%		0.00%			0.00%		
5	Large Industrial	15,992	23,557	7,565	47.31%	23,557	47.31%	23,557	7,565	47.31%		
6	Abbott Laboratories				0.00%		0.00%			0.00%		
7	Private Fire Service	1,800	2,520	720	40.00%	2,520	40.00%	2,520	720	40.00%		
8	Other Water Revenues	35,331	39,659	4,328	12.25%	38,616	12.25%	38,616	3,285	9.30%		
9												
10												
11	Total Water Revenues	<u>2,266,346</u>	<u>2,828,269</u>	<u>561,944</u>	<u>24.80%</u>	<u>2,671,074</u>	<u>24.80%</u>	<u>2,671,074</u>	<u>404,729</u>	<u>17.86%</u>		
12												
13												
14	Miscellaneous Revenues	44,621	44,621		0.00%	44,621	0.00%	44,621		0.00%		
15												
16	Total Operating Revenues	<u>2,310,966</u>	<u>2,872,910</u>	<u>561,944</u>	<u>24.32%</u>	<u>2,715,695</u>	<u>24.32%</u>	<u>2,715,695</u>	<u>404,729</u>	<u>17.51%</u>		
17												
18												
19												
20	Target Revenue Requirement (Sch. C-1, Ln. 10)		<u>2,872,910</u>									
21	Difference (Ln. 16 - Ln. 19)		<u>0</u>									
22	%		<u>0.00%</u>									
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**ARIZONA WATER COMPANY**  
 Test Year Ended December 31, 2014  
 Summary of Revenues by Customer Classification  
 Present & Proposed Rates

Exhibit  
 Schedule H-1 Settlement  
 Page 4 of 4  
 Witness: Reiker

Line No.	Customer Classification	[A]		[B]		[C]		[D]		[E]		[F]		[G]
		Test Year Rates		Proposed Rates		Company - As Filed		Ajo		Proposed Rates		Settlement		%
		Sch. H-2 Col. E	Sch. H-2 Col. F	Sch. H-2 Col. E	Sch. H-2 Col. F	Proposed Increase Amount	%	Sch. H-2 Col. E	Sch. H-2 Col. F	Proposed Increase Amount	%	Proposed Increase Amount	%	
1	Residential	\$ 306,927	\$ 370,261	\$ 63,334	20.63%	\$ 351,344	14.47%	\$ 44,417	14.47%	\$ 44,417	14.47%	\$ 44,417	14.47%	
2	Commercial	125,128	155,572	30,444	24.33%	144,181	15.23%	19,054	15.23%	19,054	15.23%	19,054	15.23%	
3	Industrial	-	-	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	
4	Large Industrial	-	-	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	
5	Abbott Laboratories	-	-	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	
6	Private Fire Service	1,200	1,680	480	40.00%	1,680	40.00%	480	40.00%	480	40.00%	480	40.00%	
7	Other Water Revenues	564	592	28	4.94%	528	-6.50%	(37)	-6.50%	(37)	-6.50%	(37)	-6.50%	
8	Total Water Revenues	\$ 433,819	\$ 528,105	\$ 94,286	21.73%	\$ 497,733	14.73%	\$ 63,914	14.73%	\$ 63,914	14.73%	\$ 63,914	14.73%	
9	Miscellaneous Revenues	4,101	4,101	-	0.00%	4,101	0.00%	-	0.00%	-	0.00%	-	0.00%	
10	Total Operating Revenues	\$ 437,921	\$ 532,206	\$ 94,286	21.53%	\$ 501,834	14.59%	\$ 63,914	14.59%	\$ 63,914	14.59%	\$ 63,914	14.59%	
11	Target Revenue Requirement (Sch. C-1, Ln. 10)		\$ 532,206									\$ 501,834		
12	Difference (Ln. 16 - Ln. 19)		0									0		
13	%		0.00%									0.00%		

Western Group

Water Revenues Per Bill Count

Line No.	Detail Class of Service	Average Number of Customers	Average Monthly Usage	Test Year Rates	Normalizing Adjustments (IS-4, 6 & 7)	Adjusted T.Y. Rates (C + D)	Company - As Filed		Settlement		
							Proposed Rates	Increase (F - E) %	Proposed Rates	Amount (L - E) %	
1	Residential 5/8 x 3/4 -inch	28,065	7,956	\$ 11,518,790	\$ (94,383)	\$ 11,424,407	\$ 14,416,795	\$ 2,992,388	\$ 13,792,252	\$ 2,367,846	20.73%
2	Residential 1-inch	914	14,468	974,198	(715)	973,483	1,275,196	301,714	1,213,810	240,327	24.69%
3	Residential 1 1/2-inch	55	179,925	424,390	(7,945)	416,445	566,999	150,554	526,691	110,246	26.47%
4	Residential 2-inch	9	547,345	196,224	(3,454)	192,770	262,626	69,856	242,297	49,527	25.69%
5	Residential 3-inch	6	730,636	174,978	(2,985)	171,993	236,846	64,863	218,994	47,011	27.33%
6	Residential 4-inch	8	646,961	220,807	(2,950)	217,857	310,717	92,859	292,152	74,295	34.10%
7	Residential 6-inch	-	-	-	-	-	-	-	-	-	0.00%
8	Residential 8-inch	-	-	-	-	-	-	-	-	-	0.00%
9	Residential 10-inch	-	-	-	-	-	-	-	-	-	0.00%
10	Commercial 5/8 x 3/4 -inch	963	6,976	422,262	101	422,363	571,893	149,530	546,603	124,240	29.42%
11	Commercial 1-inch	554	25,187	787,743	(2,611)	785,132	1,038,600	253,468	982,686	197,553	25.16%
12	Commercial 1 1/2-inch	560	108,268	3,007,434	(2,489)	3,004,945	4,013,646	1,008,701	3,778,318	773,373	25.73%
13	Commercial 2-inch	37	196,898	351,065	3,351	354,416	476,767	122,351	450,403	95,987	27.08%
14	Commercial 3-inch	24	733,268	730,234	2,425	732,660	959,281	226,621	886,750	156,090	21.30%
15	Commercial 4-inch	15	827,973	542,261	(2,985)	542,261	723,012	180,751	677,937	136,676	25.02%
16	Commercial 6-inch	1	2,974,873	108,006	9,819	117,825	152,382	34,557	140,762	22,938	19.47%
17	Commercial 8-inch	3	21,125	2,187	-	2,187	3,161	974	3,182	995	45.48%
18	Commercial 10-inch	5	106,372	17,560	-	17,560	21,206	3,646	21,378	3,818	21.74%
19	Industrial 1 1/2-inch	7	139,819	34,648	-	34,648	53,512	18,864	53,832	19,185	55.37%
20	Industrial 2-inch	4	918,070	107,429	-	107,429	139,488	32,058	140,578	33,149	33.86%
21	Industrial 3-inch	4	1,784,984	165,762	-	165,762	220,596	54,834	222,745	56,983	30.88%
22	Industrial 4-inch	1	2,158,523	60,134	-	60,134	85,506	25,372	86,264	26,130	43.45%
23	Industrial 6-inch	1	31,002,167	586,240	-	586,240	672,045	85,805	498,034	(88,207)	-15.00%
24	Industrial 8-inch	416	-	124,650	-	124,650	174,510	49,860	174,510	49,860	40.00%
25	Industrial 10-inch	-	-	-	-	-	-	-	-	-	0.00%
26	Public Fire Hydrant	2	41	13,968	-	13,968	14,570	602	13,240	(728)	-5.21%
27	Construction 5/8 x 3/4 -inch	-	-	-	-	-	-	-	-	-	0.00%
28	Construction 1-inch	-	-	-	-	-	-	-	-	-	0.00%
29	Construction 1 1/2-inch	-	-	-	-	-	-	-	-	-	0.00%
30	Construction 2-inch	34	71,380	189,121	-	189,121	257,724	68,604	249,218	60,097	31.78%
31	Construction 3-inch	-	-	-	-	-	-	-	-	-	0.00%
32	Construction 4-inch	-	-	-	-	-	-	-	-	-	0.00%
33	Construction 6-inch	-	-	-	-	-	-	-	-	-	0.00%
34	Construction 8-inch	-	-	-	-	-	-	-	-	-	0.00%
35	Construction 10-inch	-	-	-	-	-	-	-	-	-	0.00%
36	Sales for Resale 5/8 x 3/4 -inch	3	379,606	25,790	-	25,790	37,116	11,326	34,408	8,618	33.42%
37	Sales for Resale 1-inch	1	976,083	22,955	-	22,955	33,141	10,186	30,820	7,865	34.26%
38	Sales for Resale 1 1/2-inch	-	-	-	-	-	-	-	-	-	0.00%
39	Sales for Resale 2-inch	-	-	-	-	-	-	-	-	-	0.00%
40	Sales for Resale 3-inch	-	-	-	-	-	-	-	-	-	0.00%
41	Sales for Resale 4-inch	-	-	-	-	-	-	-	-	-	0.00%
42	Sales for Resale 6-inch	-	-	-	-	-	-	-	-	-	0.00%
43	Sales for Resale 8-inch	-	-	-	-	-	-	-	-	-	0.00%
44	Sales for Resale 10-inch	-	-	-	-	-	-	-	-	-	0.00%
45	Totals	31,691	13,634	\$ 20,808,837	\$ (101,846)	\$ 20,706,991	\$ 26,717,335	\$ 6,010,344	\$ 25,279,884	\$ 4,572,873	22.08%

Line No.	Summary Class of Service	Western Group										
		[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]
		Average Number of Customers	Average Monthly Usage	Test Year Rates	Normalizing Adjustments (LS-4, 6 & 7)	Adjusted T.Y. Rates [C + D]	Water Revenues Per Bill Count	Proposed Rates	Company - As Filed Increase [F - E]	Proposed Rates	Settlement Amount [I - E]	%
1	Total Residential	29,058	8,980	\$ 13,509,387	\$ (112,442)	\$ 13,396,945	\$ 17,069,179	\$ 3,672,234	\$ 16,286,196	\$ 2,889,251	21.57%	
2	Total Commercial	2,153	56,264	5,949,006	10,596	5,959,602	7,935,581	1,975,979	7,485,458	1,505,857	25.27%	
3	Total Industrial	19	264,100	161,824	-	161,824	217,366	55,542	218,971	57,147	35.31%	
4	Total Large Industrial	5	1,868,709	225,886	-	225,886	306,103	80,206	309,009	83,113	36.79%	
5	Abbott Laboratories	1	31,002,167	586,240	-	586,240	672,045	85,805	498,034	(88,207)	-15.05%	
6	Total Private Fire	416	-	124,650	-	124,650	174,510	49,860	174,510	49,860	40.00%	
7	Total Other Water Revenues	40	18,195,489	251,834	-	251,834	342,551	90,717	327,686	75,852	30.12%	
8	Totals	31,691	13,634	\$ 20,808,837	\$ (101,846)	\$ 20,706,991	\$ 26,717,335	\$ 6,010,343	\$ 25,279,864	\$ 4,572,873	22.08%	
9	Miscellaneous Revenues			1,032,757	(522,915)	509,842	509,842	-	509,842	-	0.00%	
10	Total Revenue Generated			\$ 27,227,177		\$ 27,227,177			\$ 25,789,706			
11	Target Rev. Rqmt. (Sch. C-1)			\$ 27,227,177		\$ 27,227,177			\$ 25,789,706			
12	Difference			\$ 0		\$ 0			\$ 0			
13	%			0%		0%			0%			

Line No.	Detail Class of Service	Pinal Valley										Settlement Amount [I-E]	%
		[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]		
		Water Revenues Per Bill Count										Settlement	
		Average Number of Customers	Average Monthly Usage	Test Year Rates	Normalizing Adjustments (IS-4, 6 & 7)	Adjusted T.Y. Rates [C+D]	Proposed Rates	Company - As Filed Increase [F-E]		Proposed Rates	Settlement Amount [I-E]	%	
1	Residential 5/8 x 3/4 -inch	25,719	7,781	\$ 9,927,216	\$ (80,652)	\$ 9,846,563	\$ 12,491,248	\$ 2,644,684	28.86%	\$ 11,976,676	\$ 2,130,113	21.63%	
2	Residential 1-inch	439	20,927	489,330	(4,443)	483,886	650,173	166,286	34.36%	617,610	133,724	27.64%	
3	Residential 1 1/2 -inch	54	173,712	392,272	(6,910)	385,363	527,172	141,809	36.80%	489,781	104,418	25.10%	
4	Residential 2-inch	9	547,345	196,224	(3,454)	192,770	282,628	69,856	36.24%	242,297	49,527	25.69%	
5	Residential 3-inch	6	730,636	174,978	(2,995)	171,983	236,846	64,863	37.71%	218,994	47,011	27.33%	
6	Residential 4-inch	8	646,961	220,807	(2,950)	217,857	310,717	92,859	42.62%	292,152	74,295	34.10%	
7	Residential 6-inch	-	-	-	-	-	-	-	0.00%	-	-	0.00%	
8	Residential 8-inch	-	-	-	-	-	-	-	0.00%	-	-	0.00%	
9	Residential 10-inch	-	-	-	-	-	-	-	0.00%	-	-	0.00%	
10	Commercial 5/8 x 3/4 -inch	902	6,950	374,025	(61)	373,964	511,451	137,488	36.76%	489,652	115,688	30.94%	
11	Commercial 1-inch	513	24,434	655,888	(640)	655,248	876,238	220,990	33.73%	831,686	176,438	26.93%	
12	Commercial 1 1/2 -inch	537	103,546	2,668,415	(2,489)	2,665,926	3,577,684	911,758	34.20%	3,370,303	704,377	26.42%	
13	Commercial 2-inch	35	196,297	321,612	3,351	324,964	437,544	112,581	34.64%	413,148	88,185	27.14%	
14	Commercial 3-inch	24	733,268	730,234	2,425	732,660	959,281	226,621	30.93%	888,750	156,090	21.30%	
15	Commercial 4-inch	15	827,973	542,261	-	542,261	723,012	180,751	33.33%	677,937	135,676	25.02%	
16	Commercial 6-inch	1	2,974,873	108,006	9,819	117,825	152,382	34,557	29.33%	140,762	22,938	19.47%	
17	Commercial 8-inch	-	-	-	-	-	-	-	0.00%	-	-	0.00%	
18	Commercial 10-inch	-	-	-	-	-	-	-	0.00%	-	-	0.00%	
19	Industrial 5/8 x 3/4 -inch	3	21,125	2,187	-	2,187	3,161	974	44.54%	3,182	995	45.48%	
20	Industrial 1-inch	5	106,372	17,560	-	17,560	21,206	3,646	20.76%	21,378	3,818	21.74%	
21	Industrial 1 1/2 -inch	-	-	-	-	-	-	-	0.00%	-	-	0.00%	
22	Industrial 2-inch	7	139,819	34,648	-	34,648	53,512	18,864	54.44%	53,832	19,185	55.37%	
23	Industrial 3-inch	-	-	-	-	-	-	-	0.00%	-	-	0.00%	
24	Industrial 4-inch	4	918,070	107,429	-	107,429	139,488	32,058	29.84%	140,578	33,149	30.86%	
25	Industrial 6-inch	3	2,411,927	149,770	-	149,770	197,039	47,269	31.56%	199,188	49,418	33.00%	
26	Industrial 8-inch	1	2,158,523	60,134	-	60,134	85,508	25,372	42.19%	86,264	26,130	43.45%	
27	Industrial 10-inch	1	31,002,167	586,240	-	586,240	672,045	85,805	14.64%	488,034	(88,207)	-15.05%	
28	Private Fire Service	406	-	121,650	-	121,650	170,310	48,660	40.00%	170,310	48,660	40.00%	
29	Other Water Revenues	-	-	-	-	-	-	-	0.00%	-	-	0.00%	
30	Public Fire Hydrant	1	41	13,403	-	13,403	13,978	574	4.28%	12,713	(691)	-5.15%	
31	Coin Machine	-	-	-	-	-	-	-	0.00%	-	-	0.00%	
32	Construction 5/8 x 3/4 -inch	-	-	-	-	-	-	-	0.00%	-	-	0.00%	
33	Construction 1-inch	-	-	-	-	-	-	-	0.00%	-	-	0.00%	
34	Construction 1 1/2 -inch	-	-	-	-	-	-	-	0.00%	-	-	0.00%	
35	Construction 2-inch	-	-	-	-	-	-	-	0.00%	-	-	0.00%	
36	Construction 3-inch	28	74,983	153,790	-	153,790	218,065	64,275	41.79%	210,601	56,812	36.94%	
37	Construction 4-inch	-	-	-	-	-	-	-	0.00%	-	-	0.00%	
38	Construction 6-inch	-	-	-	-	-	-	-	0.00%	-	-	0.00%	
39	Construction 8-inch	-	-	-	-	-	-	-	0.00%	-	-	0.00%	
40	Construction 10-inch	-	-	-	-	-	-	-	0.00%	-	-	0.00%	
41	Sales for Resale 5/8 x 3/4 -inch	3	379,606	25,790	-	25,790	37,116	11,326	43.92%	34,408	8,618	33.42%	
42	Sales for Resale 1-inch	-	-	-	-	-	-	-	0.00%	-	-	0.00%	
43	Sales for Resale 1 1/2 -inch	-	-	-	-	-	-	-	0.00%	-	-	0.00%	
44	Sales for Resale 2-inch	-	-	-	-	-	-	-	0.00%	-	-	0.00%	
45	Sales for Resale 3-inch	-	-	-	-	-	-	-	0.00%	-	-	0.00%	
46	Sales for Resale 4-inch	1	976,083	22,955	-	22,955	33,141	10,186	44.37%	30,820	7,865	34.28%	
47	Sales for Resale 6-inch	-	-	-	-	-	-	-	0.00%	-	-	0.00%	
48	Sales for Resale 8-inch	-	-	-	-	-	-	-	0.00%	-	-	0.00%	
49	Sales for Resale 10-inch	-	-	-	-	-	-	-	0.00%	-	-	0.00%	
50	Totals	28,723	13,810	\$ 18,095,825	\$ (88,999)	\$ 18,006,827	\$ 23,360,941	\$ 5,354,114	29.73%	\$ 22,111,057	\$ 4,104,231	22.79%	

Line No.	Summary Class of Service	[A] Average Number of Customers	[B] Average Monthly Usage	[C] Test Year Rates	[D] Normalizing Adjustments (US-4, 6 & 7)	[E] Water Revenues Per Bill Count		[F] Proposed Rates	[G] Company - As Filed Increase [F-E]	[H] %	[I] Proposed Rates	[J] Settlement Amount [I-E]	[K] %
						Adjusted T.Y. Rates [C+D]	Proposed Rates						
1													
2	Total Residential	26,235	8,888	\$ 11,399,827	\$ (101,404)	\$ 11,298,423	\$ 14,478,782	\$ 3,180,359	28.15%		\$ 13,837,510	\$ 2,539,087	22.47%
3	Total Commercial	2,026	56,190	5,400,441	12,405	5,412,847	7,237,593	1,824,746	33.71%		6,812,239	1,398,392	25.85%
4	Total Industrial	19	264,100	161,824	-	161,824	217,366	55,542	34.32%		218,971	57,147	35.31%
5	Total Large Industrial	4	2,340,313	209,904	-	209,904	282,545	72,641	34.61%		285,452	75,548	35.99%
6	Abbott Laboratories	1	31,002,167	586,240	-	586,240	672,045	85,805	14.64%		488,034	(86,207)	-15.05%
7	Total Private Fire	406	-	121,650	-	121,650	170,310	48,660	40.00%		170,310	48,660	40.00%
8	Total Other Water Revenues	33	141,960	215,938	-	215,938	302,299	86,361	39.99%		288,542	72,604	33.62%
9													
10	Totals	28,723	13,810	\$ 18,095,825	\$ (88,999)	\$ 18,006,827	\$ 23,360,941	\$ 5,354,114	29.73%		\$ 22,111,057	\$ 4,104,231	22.79%
11													
12	Miscellaneous Revenues			984,035	(522,915)	461,120	461,120	-	0.00%		461,120	-	0.00%
13	Total Revenue Generated						\$ 23,822,061				\$ 22,572,177		
14													
15	Target Rev. Rqmt. (Sch. C-1)						\$ 23,822,061				\$ 22,572,177		
16	Difference						0				0		
17	%						0%				0%		
18													
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**ARIZONA WATER COMPANY**  
 Test Year Ended December 31, 2014  
 Detail Analysis of Revenue by Class

Line No.	Detail Class of Service	Average Number of Customers	Average Monthly Usage	Test Year Rates	Normalizing Adjustments (IS-4, 6 & 7)	Adjusted T.Y. Rates (C+D)	White Tank		Company - As Filed Increase (F-E)	Proposed Rates	Settlement Amount (I-E)	%
							Proposed Rates	Settlement Amount				
1	Residential 5/8 x 3/4 -inch	1,784	11,733	\$ 1,287,322	(6,833)	\$ 1,280,490	\$ 1,566,212	\$ 285,723	\$ 1,474,792	\$ 184,302	15.17%	
2	Residential 1-inch	467	8,588	476,133	3,891	480,023	614,097	134,074	585,641	105,617	22.00%	
3	Residential 1 1/2-inch	-	-	-	-	-	-	-	-	-	0.00%	
4	Residential 2-inch	1	515,983	32,118	(1,035)	31,082	39,826	8,744	36,910	5,828	18.75%	
5	Residential 3-inch	-	-	-	-	-	-	-	-	-	0.00%	
6	Residential 4-inch	-	-	-	-	-	-	-	-	-	0.00%	
7	Residential 6-inch	-	-	-	-	-	-	-	-	-	0.00%	
8	Residential 8-inch	-	-	-	-	-	-	-	-	-	0.00%	
9	Residential 10-inch	-	-	-	-	-	-	-	-	-	0.00%	
10	Commercial 5/8 x 3/4 -inch	14	15,673	15,249	-	15,249	18,982	3,733	17,982	2,733	17.92%	
11	Commercial 1-inch	22	39,650	62,072	(1,971)	60,100	76,378	16,277	72,230	12,130	20.18%	
12	Commercial 1 1/2-inch	-	-	-	-	-	-	-	-	-	0.00%	
13	Commercial 2-inch	19	256,775	318,825	-	316,825	407,834	91,009	381,572	64,747	20.44%	
14	Commercial 3-inch	2	207,288	29,452	-	29,452	39,223	9,770	37,254	7,802	26.49%	
15	Commercial 4-inch	-	-	-	-	-	-	-	-	-	0.00%	
16	Commercial 6-inch	-	-	-	-	-	-	-	-	-	0.00%	
17	Commercial 8-inch	-	-	-	-	-	-	-	-	-	0.00%	
18	Commercial 10-inch	-	-	-	-	-	-	-	-	-	0.00%	
19	Industrial 5/8 x 3/4 -inch	-	-	-	-	-	-	-	-	-	0.00%	
20	Industrial 1-inch	-	-	-	-	-	-	-	-	-	0.00%	
21	Industrial 1 1/2-inch	-	-	-	-	-	-	-	-	-	0.00%	
22	Industrial 2-inch	-	-	-	-	-	-	-	-	-	0.00%	
23	Industrial 3-inch	-	-	-	-	-	-	-	-	-	0.00%	
24	Industrial 4-inch	-	-	-	-	-	-	-	-	-	0.00%	
25	Industrial 6-inch	1	60,892	15,992	-	15,992	23,557	7,565	23,557	7,565	47.31%	
26	Industrial 8-inch	-	-	-	-	-	-	-	-	-	0.00%	
27	Industrial 10-inch	-	-	-	-	-	-	-	-	-	0.00%	
28	Abbot Laboratories	-	-	-	-	-	-	-	-	-	0.00%	
29	Private Fire Service	-	-	1,800	-	1,800	2,520	720	2,520	720	40.00%	
30	Other Water Revenues	6	-	-	-	-	-	-	-	-	0.00%	
31	Public Fire Hydrant	-	-	-	-	-	-	-	-	-	0.00%	
32	Coin Machine	-	-	-	-	-	-	-	-	-	0.00%	
33	Construction 5/8 x 3/4 -inch	-	-	-	-	-	-	-	-	-	0.00%	
34	Construction 1-inch	-	-	-	-	-	-	-	-	-	0.00%	
35	Construction 1 1/2-inch	-	-	-	-	-	-	-	-	-	0.00%	
36	Construction 2-inch	-	-	-	-	-	-	-	-	-	0.00%	
37	Construction 3-inch	5	52,591	35,331	-	35,331	39,659	4,328	38,616	3,285	9.30%	
38	Construction 4-inch	-	-	-	-	-	-	-	-	-	0.00%	
39	Construction 6-inch	-	-	-	-	-	-	-	-	-	0.00%	
40	Construction 8-inch	-	-	-	-	-	-	-	-	-	0.00%	
41	Construction 10-inch	-	-	-	-	-	-	-	-	-	0.00%	
42	Sales for Resale 5/8 x 3/4 -inch	-	-	-	-	-	-	-	-	-	0.00%	
43	Sales for Resale 1-inch	-	-	-	-	-	-	-	-	-	0.00%	
44	Sales for Resale 1 1/2-inch	-	-	-	-	-	-	-	-	-	0.00%	
45	Sales for Resale 2-inch	-	-	-	-	-	-	-	-	-	0.00%	
46	Sales for Resale 3-inch	-	-	-	-	-	-	-	-	-	0.00%	
47	Sales for Resale 4-inch	-	-	-	-	-	-	-	-	-	0.00%	
48	Sales for Resale 6-inch	-	-	-	-	-	-	-	-	-	0.00%	
49	Sales for Resale 8-inch	-	-	-	-	-	-	-	-	-	0.00%	
50	Sales for Resale 10-inch	-	-	-	-	-	-	-	-	-	0.00%	
51	Totals	2,321	13,864	\$ 2,272,294	\$ (5,949)	\$ 2,266,346	\$ 2,828,289	\$ 561,944	\$ 2,671,074	\$ 404,729	17.86%	

**ARIZONA WATER COMPANY**  
 Test Year Ended December 31, 2014  
 Summary Analysis of Revenue by Class

Exhibit  
 Schedule H-2 Settlement  
 Page 6 of 8  
 Witness: Reiter

White Tank

Line No.	Summary Class of Service	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]
		Average Number of Customers	Average Monthly Usage	Test Year Rates	Normalizing Adjustments (IS-4, 6 & 7)	Adjusted T.Y. Rates (C + D)	Water Revenues Per Bill Count	Company - As Filed Increase (F - E)	%	Proposed Rates	Settlement Amount (I - E)	%
1	Total Residential	2,252	11,305	\$ 1,795,573	\$ (3,977)	\$ 1,791,595	\$ 2,220,136	\$ 428,541	23.92%	\$ 2,097,342	\$ 305,747	17.07%
2	Total Commercial	57	112,337	423,599	(1,971)	421,627	542,416	120,789	28.65%	509,038	87,411	20.73%
3	Total Industrial	-	-	-	-	-	-	-	0.00%	-	-	0.00%
4	Total Large Industrial	1	60,892	15,992	-	15,992	23,557	7,565	47.31%	23,557	7,565	47.31%
5	Abbott Laboratories	-	-	-	-	-	-	-	0.00%	-	-	0.00%
6	Total Private Fire	6	-	1,800	-	1,800	2,520	720	40.00%	2,520	720	40.00%
7	Total Other Water Revenues	5	52,591	35,331	-	35,331	39,659	4,328	12.25%	38,616	3,285	9.30%
8	Totals	2,321	13,864	\$ 2,272,294	\$ (5,949)	\$ 2,266,346	\$ 2,828,289	\$ 561,944	24.80%	\$ 2,671,074	\$ 404,729	17.86%
9	Miscellaneous Revenues	-	-	-	-	-	-	-	-	-	-	-
10	Total Revenue Generated	-	-	44,621	-	44,621	\$ 2,872,910	-	0.00%	44,621	-	0.00%
11	Target Rev. Rqmt. (Sch. C-1)	-	-	-	-	-	2,872,910	-	-	2,715,695	-	-
12	Difference	-	-	-	-	-	0	-	-	0	-	-
13	%	-	-	-	-	-	0%	-	-	0%	-	-

**ARIZONA WATER COMPANY**  
 Test Year Ended December 31, 2014  
 Detail Analysis of Revenue by Class

Exhibit  
 Schedule H-2 Settlement  
 Page 7 of 8  
 Witness: Reiter

Line No.	Detail Class of Service	Average Number of Customers	Average Monthly Usage	Water Revenues Per Bill Count					Settlement Amount [J-E]	%	
				Test Year Rates [C]	Normalized Adjustments (IS-4, 6 & 7) [D]	Adjusted T.Y. Rates [C+D] [E]	Proposed Rates [F]	Company - As Filed Increase [F-E] [G]			Proposed Rates [I]
1	Residential 5/8 x 3/4 -inch	562	3,991	\$ 304,252	(6,898)	\$ 297,354	\$ 359,334	\$ 61,981	\$ 340,784	\$ 43,431	14.61%
2	Residential 1-inch	9	4,493	9,736	(162)	9,573	10,926	1,353	10,559	986	10.30%
3	Residential 1 1/2-inch	-	-	-	-	-	-	-	-	-	0.00%
4	Residential 2-inch	-	-	-	-	-	-	-	-	-	0.00%
5	Residential 3-inch	-	-	-	-	-	-	-	-	-	0.00%
6	Residential 4-inch	-	-	-	-	-	-	-	-	-	0.00%
7	Residential 6-inch	-	-	-	-	-	-	-	-	-	0.00%
8	Residential 8-inch	-	-	-	-	-	-	-	-	-	0.00%
9	Residential 10-inch	-	-	-	-	-	-	-	-	-	0.00%
10	Commercial 5/8 x 3/4 -inch	47	4,878	32,988	162	33,150	41,460	8,309	38,969	5,819	17.55%
11	Commercial 1-inch	20	28,759	69,784	-	69,784	85,984	16,200	78,769	8,985	12.88%
12	Commercial 1 1/2-inch	-	-	-	-	-	-	-	-	-	0.00%
13	Commercial 2-inch	-	-	-	-	-	-	-	-	-	0.00%
14	Commercial 3-inch	4	36,363	22,194	-	22,194	28,128	5,934	26,443	4,249	19.15%
15	Commercial 4-inch	-	-	-	-	-	-	-	-	-	0.00%
16	Commercial 6-inch	-	-	-	-	-	-	-	-	-	0.00%
17	Commercial 8-inch	-	-	-	-	-	-	-	-	-	0.00%
18	Commercial 10-inch	-	-	-	-	-	-	-	-	-	0.00%
19	Industrial 5/8 x 3/4 -inch	-	-	-	-	-	-	-	-	-	0.00%
20	Industrial 1-inch	-	-	-	-	-	-	-	-	-	0.00%
21	Industrial 1 1/2-inch	-	-	-	-	-	-	-	-	-	0.00%
22	Industrial 2-inch	-	-	-	-	-	-	-	-	-	0.00%
23	Industrial 3-inch	-	-	-	-	-	-	-	-	-	0.00%
24	Industrial 4-inch	-	-	-	-	-	-	-	-	-	0.00%
25	Industrial 6-inch	-	-	-	-	-	-	-	-	-	0.00%
26	Industrial 8-inch	-	-	-	-	-	-	-	-	-	0.00%
27	Industrial 10-inch	-	-	-	-	-	-	-	-	-	0.00%
28	Abbott Laboratories	-	-	-	-	-	-	-	-	-	0.00%
29	Private Fire Service	4	-	1,200	-	1,200	1,680	480	1,680	480	40.00%
30	Other Water Revenues	-	-	-	-	-	-	-	-	-	0.00%
31	Public Fire Hydrant	1	-	564	-	564	592	28	528	(37)	-6.50%
32	Coin Machine	-	-	-	-	-	-	-	-	-	0.00%
33	Construction 5/8 x 3/4 -inch	-	-	-	-	-	-	-	-	-	0.00%
34	Construction 1-inch	-	-	-	-	-	-	-	-	-	0.00%
35	Construction 1 1/2-inch	-	-	-	-	-	-	-	-	-	0.00%
36	Construction 2-inch	-	-	-	-	-	-	-	-	-	0.00%
37	Construction 3-inch	-	-	-	-	-	-	-	-	-	0.00%
38	Construction 4-inch	-	-	-	-	-	-	-	-	-	0.00%
39	Construction 6-inch	-	-	-	-	-	-	-	-	-	0.00%
40	Construction 8-inch	-	-	-	-	-	-	-	-	-	0.00%
41	Construction 10-inch	-	-	-	-	-	-	-	-	-	0.00%
42	Sales for Resale 5/8 x 3/4-inch	-	-	-	-	-	-	-	-	-	0.00%
43	Sales for Resale 1-inch	-	-	-	-	-	-	-	-	-	0.00%
44	Sales for Resale 1 1/2-inch	-	-	-	-	-	-	-	-	-	0.00%
45	Sales for Resale 2-inch	-	-	-	-	-	-	-	-	-	0.00%
46	Sales for Resale 3-inch	-	-	-	-	-	-	-	-	-	0.00%
47	Sales for Resale 4-inch	-	-	-	-	-	-	-	-	-	0.00%
48	Sales for Resale 6-inch	-	-	-	-	-	-	-	-	-	0.00%
49	Sales for Resale 8-inch	-	-	-	-	-	-	-	-	-	0.00%
50	Sales for Resale 10-inch	-	-	-	-	-	-	-	-	-	0.00%
51	Totals	647	5,009	\$ 440,718	(6,898)	\$ 433,819	\$ 528,105	\$ 94,286	\$ 497,733	\$ 63,914	14.73%

**ARIZONA WATER COMPANY**  
 Test Year Ended December 31, 2014  
 Summary Analysis of Revenue by Class

Line No.	Summary Class of Service	[A]	[B]	[C]	[D]	[E]	Water Revenues Per Bill Count		[G]	[H]	[I]	[J]	[K]
							Average Number of Customers	Average Monthly Usage					
1	Total Residential	571	3,999	\$ 313,987	\$ (7,060)	\$ 306,927	\$ 370,261	\$ 63,334	20.63%	\$ 351,344	\$ 44,417	14.47%	
2	Total Commercial	71	13,408	124,966	162	125,128	155,572	30,444	24.33%	144,181	19,054	15.23%	
3	Total Industrial	-	-	-	-	-	-	-	0.00%	-	-	0.00%	
4	Total Large Industrial	-	-	-	-	-	-	-	0.00%	-	-	0.00%	
5	Abbott Laboratories	-	-	-	-	-	-	-	0.00%	-	-	0.00%	
6	Total Private Fire	4	-	1,200	-	1,200	1,680	480	40.00%	1,680	480	40.00%	
7	Total Other Water Revenues	1	7,150	564	-	564	592	28	4.94%	528	(37)	-6.50%	
8	Totals	647	5,009	\$ 440,718	\$ (6,898)	\$ 433,819	\$ 528,105	\$ 94,286	21.73%	\$ 497,733	\$ 63,914	14.73%	
9	Miscellaneous Revenues	-	-	-	-	-	-	-	-	4,101	-	-	
10	Total Revenue Generated	-	-	4,101	-	4,101	4,101	-	0.00%	4,101	-	0.00%	
11	Target Rev. Rqmt. (Sch. C-1)	-	-	-	-	-	532,206	-	-	501,834	-	-	
12	Difference	-	-	-	-	-	\$ 532,206	-	-	\$ 501,834	-	-	
13	%	-	-	-	-	-	0	-	-	0	-	0%	
14		-	-	-	-	-	0	-	-	0	-	0%	

Line No.	Class of Service	Basic Service Charge			Tier Breakover (M Gals)		Volumetric Change (M Gal)		
		Present Rate	Proposed Rate - Settlement	Change	Present	Proposed - Settlement	Present Rate	Proposed Rate - Settlement	Change
1									
2	Residential 5/8 x 3/4 -inch	\$ 16.00	\$ 22.00	\$ 6.00	3	2	\$ 1,187.9	\$ 1,386.6	\$ 0.1987
3					Tier One	Tier Two			
4					10	7	2,102.6	1,991.0	(0.1116)
5					Tier Two	Tier Three	3,259.0	2,595.3	(0.6637)
6					Tier Three	Tier Four	3,259.0	3,804.1	0.5451
7	Residential 3/4-inch	n/a	\$ 33.00	n/a	n/a	4	n/a	\$ 1,386.6	n/a
8					Tier One	Tier Two	n/a	1,991.0	n/a
9					Tier Two	Tier Three	n/a	2,595.3	n/a
10					Tier Three	Tier Four	n/a	3,804.1	n/a
11	Residential 1-inch	\$ 40.00	\$ 55.00	\$ 15.00	25	5	\$ 2,102.6	\$ 1,991.0	(0.1116)
12					Tier One	Tier Two			
13					99,999	18	3,259.0	2,595.3	(0.6637)
14					Tier Two	Tier Three	3,259.0	3,804.1	0.5451
15					Tier Three	Tier Four	3,259.0	3,804.1	0.5451
16	Residential 1 1/2-inch	\$ 80.00	\$ 110.00	\$ 30.00	99,999	99,999	3,259.0	3,804.1	0.5451
17					Tier One	Tier Two			
18					55	10	\$ 2,102.6	\$ 1,991.0	(0.1116)
19					Tier Two	Tier Three	3,259.0	2,595.3	(0.6637)
20					Tier Three	Tier Four	3,259.0	3,804.1	0.5451
21	Residential 2-inch	\$ 128.00	\$ 176.00	\$ 48.00	99,999	99,999	3,259.0	3,804.1	0.5451
22					Tier One	Tier Two			
23					95	16	\$ 2,102.6	\$ 1,991.0	(0.1116)
24					Tier Two	Tier Three	3,259.0	2,595.3	(0.6637)
25					Tier Three	Tier Four	3,259.0	3,804.1	0.5451
26	Residential 3-inch	\$ 256.00	\$ 352.00	\$ 96.00	99,999	99,999	3,259.0	3,804.1	0.5451
27					Tier One	Tier Two			
28					195	32	\$ 2,102.6	\$ 1,991.0	(0.1116)
29					Tier Two	Tier Three	3,259.0	2,595.3	(0.6637)
30					Tier Three	Tier Four	3,259.0	3,804.1	0.5451
31	Residential 4-inch	\$ 400.00	\$ 550.00	\$ 150.00	99,999	99,999	3,259.0	3,804.1	0.5451
32					Tier One	Tier Two			
33					315	50	\$ 2,102.6	\$ 1,991.0	(0.1116)
34					Tier Two	Tier Three	3,259.0	2,595.3	(0.6637)
35					Tier Three	Tier Four	3,259.0	3,804.1	0.5451
36	Residential 6-inch	\$ 800.00	\$ 1,100.00	\$ 300.00	99,999	99,999	3,259.0	3,804.1	0.5451
37					Tier One	Tier Two			
38					650	100	\$ 2,102.6	\$ 1,991.0	(0.1116)
39					Tier Two	Tier Three	3,259.0	2,595.3	(0.6637)
40					Tier Three	Tier Four	3,259.0	3,804.1	0.5451
41	Residential 8-inch	\$ 1,280.00	\$ 1,760.00	\$ 480.00	99,999	99,999	3,259.0	3,804.1	0.5451
42					Tier One	Tier Two			
43					1,000	160	\$ 2,102.6	\$ 1,991.0	(0.1116)
44					Tier Two	Tier Three	3,259.0	2,595.3	(0.6637)
45					Tier Three	Tier Four	3,259.0	3,804.1	0.5451
46	Residential 10-inch	\$ 1,840.00	\$ 2,530.00	\$ 690.00	99,999	99,999	3,259.0	3,804.1	0.5451
47					Tier One	Tier Two			
48					1,475	230	\$ 2,102.6	\$ 1,991.0	(0.1116)
49					Tier Two	Tier Three	3,259.0	2,595.3	(0.6637)
50					Tier Three	Tier Four	3,259.0	3,804.1	0.5451
51					99,999	99,999	3,259.0	3,804.1	0.5451
52									
53									
54									
55									

\*\*For Service Charges See Western Group Service Charge Tariff at the end of this schedule\*\*

(Continued)

Line No.	Class of Service	[A]		[B]		[C]		[D]		[E]		[F]		[G]		[H]		[I]	
		Basic Service Charge		Proposed		Change		Tier Breakover (M Gals)		Present		Proposed - Settlement		Present		Proposed		Change	
		Present Rate	Proposed Rate	Rate - Settlement	Change	Tier One	Tier Two	Tier Three	Tier Four	Present	Proposed - Settlement	Present Rate	Proposed Rate	Rate - Settlement	Change	Present Rate	Proposed Rate	Rate - Settlement	Change
1	Commercial 5/8 x 3/4 -inch	\$ 16.00	\$ 25.00	\$ 9.00															
2										10	3								
3										99,999	15								
4										99,999	99,999								
5										99,999	99,999								
6										99,999	99,999								
7	Commercial 3/4-inch	n/a	\$ 37.50	n/a						n/a	5								
8										n/a	20								
9										n/a	99,999								
10										n/a	99,999								
11										n/a	99,999								
12	Commercial 1-inch	\$ 40.00	\$ 62.50	\$ 22.50						25	8								
13										99,999	38								
14										99,999	99,999								
15										99,999	99,999								
16										99,999	99,999								
17	Commercial 1 1/2-inch	\$ 80.00	\$ 125.00	\$ 45.00						55	15								
18										99,999	75								
19										99,999	99,999								
20										99,999	99,999								
21										99,999	99,999								
22	Commercial 2-inch	\$ 128.00	\$ 200.00	\$ 72.00						95	24								
23										99,999	120								
24										99,999	99,999								
25										99,999	99,999								
26										99,999	99,999								
27	Commercial 3-inch	\$ 256.00	\$ 400.00	\$ 144.00						195	48								
28										99,999	240								
29										99,999	99,999								
30										99,999	99,999								
31										99,999	99,999								
32	Commercial 4-inch	\$ 400.00	\$ 625.00	\$ 225.00						315	75								
33										99,999	375								
34										99,999	99,999								
35										99,999	99,999								
36										99,999	99,999								
37	Commercial 6-inch	\$ 800.00	\$ 1,250.00	\$ 450.00						650	150								
38										99,999	750								
39										99,999	99,999								
40										99,999	99,999								
41										99,999	99,999								
42	Commercial 8-inch	\$ 1,280.00	\$ 2,000.00	\$ 720.00						1,000	240								
43										99,999	1,200								
44										99,999	99,999								
45										99,999	99,999								
46										99,999	99,999								
47	Commercial 10-inch	\$ 1,840.00	\$ 2,875.00	\$ 1,035.00						1,475	345								
48										99,999	1,725								
49										99,999	99,999								
50										99,999	99,999								
51										99,999	99,999								
52										99,999	99,999								
53										99,999	99,999								
54										99,999	99,999								
55										99,999	99,999								

(Continued)

\*\*For Service Charges See Western Group Service Charge Tariff at the end of this schedule\*\*

Line No.	Class of Service	Basic Service Charge				Tier Breakover (M Gals)				Volumetric Charge (M Gal)				
		Present		Proposed		Present	Proposed - Settlement	Present	Proposed	Present		Proposed		
		Rate	Change	Rate	Change					Rate	Change	Rate	Change	
[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]	[N]	
1														
2	Industrial 5/8 x 3/4-inch	\$ 16.00	\$ 19.00	Tier One	10	\$ 1.5500	\$ 2.5270	\$ 0.9770	99,999	\$ 1.5500	\$ 2.5270	\$ 0.9770		
3				Tier Two	99,999	2.4800	2.5270	0.0470	99,999	2.4800	2.5270	0.0470		
4				Tier Three	99,999	2.4800	2.5270	0.0470	99,999	2.4800	2.5270	0.0470		
5				Tier Four	99,999	2.4800	2.5270	0.0470	99,999	2.4800	2.5270	0.0470		
6														
7	Industrial 3/4-inch	n/a	n/a	Tier One	n/a	n/a	2.5270	n/a	99,999	n/a	2.5270	n/a		
8				Tier Two	n/a	n/a	2.5270	n/a	99,999	n/a	2.5270	n/a		
9				Tier Three	n/a	n/a	2.5270	n/a	99,999	n/a	2.5270	n/a		
10				Tier Four	n/a	n/a	2.5270	n/a	99,999	n/a	2.5270	n/a		
11														
12	Industrial 1-inch	\$ 40.00	\$ 47.50	Tier One	25	\$ 1.5500	\$ 2.5270	\$ 0.9770	99,999	\$ 1.5500	\$ 2.5270	\$ 0.9770		
13				Tier Two	99,999	2.4800	2.5270	0.0470	99,999	2.4800	2.5270	0.0470		
14				Tier Three	99,999	2.4800	2.5270	0.0470	99,999	2.4800	2.5270	0.0470		
15				Tier Four	99,999	2.4800	2.5270	0.0470	99,999	2.4800	2.5270	0.0470		
16														
17	Industrial 1 1/2-inch	\$ 80.00	\$ 95.00	Tier One	55	\$ 1.5500	\$ 2.5270	\$ 0.9770	99,999	\$ 1.5500	\$ 2.5270	\$ 0.9770		
18				Tier Two	99,999	2.4800	2.5270	0.0470	99,999	2.4800	2.5270	0.0470		
19				Tier Three	99,999	2.4800	2.5270	0.0470	99,999	2.4800	2.5270	0.0470		
20				Tier Four	99,999	2.4800	2.5270	0.0470	99,999	2.4800	2.5270	0.0470		
21														
22	Industrial 2-inch	\$ 128.00	\$ 152.00	Tier One	95	\$ 1.5500	\$ 2.5270	\$ 0.9770	99,999	\$ 1.5500	\$ 2.5270	\$ 0.9770		
23				Tier Two	99,999	2.4800	2.5270	0.0470	99,999	2.4800	2.5270	0.0470		
24				Tier Three	99,999	2.4800	2.5270	0.0470	99,999	2.4800	2.5270	0.0470		
25				Tier Four	99,999	2.4800	2.5270	0.0470	99,999	2.4800	2.5270	0.0470		
26														
27	Industrial 3-inch	\$ 256.00	\$ 304.00	Tier One	195	\$ 1.5500	\$ 2.5270	\$ 0.9770	99,999	\$ 1.5500	\$ 2.5270	\$ 0.9770		
28				Tier Two	99,999	2.4800	2.5270	0.0470	99,999	2.4800	2.5270	0.0470		
29				Tier Three	99,999	2.4800	2.5270	0.0470	99,999	2.4800	2.5270	0.0470		
30				Tier Four	99,999	2.4800	2.5270	0.0470	99,999	2.4800	2.5270	0.0470		
31														
32	Industrial 4-inch	\$ 400.00	\$ 475.00	Tier One	315	\$ 1.5500	\$ 2.5270	\$ 0.9770	99,999	\$ 1.5500	\$ 2.5270	\$ 0.9770		
33				Tier Two	99,999	2.4800	2.5270	0.0470	99,999	2.4800	2.5270	0.0470		
34				Tier Three	99,999	2.4800	2.5270	0.0470	99,999	2.4800	2.5270	0.0470		
35				Tier Four	99,999	2.4800	2.5270	0.0470	99,999	2.4800	2.5270	0.0470		
36														
37	Industrial 6-inch	\$ 800.00	\$ 950.00	Tier One	99,999	\$ 1.5500	\$ 1.7770	\$ 0.2270	99,999	\$ 1.5500	\$ 1.7770	\$ 0.2270		
38				Tier Two	99,999	1.5500	1.7770	0.2270	99,999	1.5500	1.7770	0.2270		
39				Tier Three	99,999	1.5500	1.7770	0.2270	99,999	1.5500	1.7770	0.2270		
40				Tier Four	99,999	1.5500	1.7770	0.2270	99,999	1.5500	1.7770	0.2270		
41														
42	Industrial 8-inch	\$ 1,280.00	\$ 1,520.00	Tier One	99,999	\$ 1.5500	\$ 1.7770	\$ 0.2270	99,999	\$ 1.5500	\$ 1.7770	\$ 0.2270		
43				Tier Two	99,999	1.5500	1.7770	0.2270	99,999	1.5500	1.7770	0.2270		
44				Tier Three	99,999	1.5500	1.7770	0.2270	99,999	1.5500	1.7770	0.2270		
45				Tier Four	99,999	1.5500	1.7770	0.2270	99,999	1.5500	1.7770	0.2270		
46														
47	Industrial 10-inch	\$ 1,840.00	\$ 2,185.00	Tier One	99,999	\$ 1.5500	\$ 1.7770	\$ 0.2270	99,999	\$ 1.5500	\$ 1.7770	\$ 0.2270		
48				Tier Two	99,999	1.5500	1.7770	0.2270	99,999	1.5500	1.7770	0.2270		
49				Tier Three	99,999	1.5500	1.7770	0.2270	99,999	1.5500	1.7770	0.2270		
50				Tier Four	99,999	1.5500	1.7770	0.2270	99,999	1.5500	1.7770	0.2270		
51														
52														
53														
54														
55														

(Continued)  
 \*\*For Service Charges See Western Group Service Charge Tariff at the end of this schedule\*\*

Line No.	Class of Service	Basic Service Charge			Tier Breakover (M Gals)			Volumetric Charge (M Gal)		
		Present Rate	Proposed Rate - Settlement	Change	Present	Proposed - Settlement	Present Rate	Proposed Rate - Settlement	Change	
1										
2										
3	Abbot Laboratories									
4	(Nonpotable Dedicated 6-inch Service)	\$ 800.00	\$ 1,200.00	\$ 400.00	Tier One	99,999	99,999	\$ 1,550.00	\$ 1,300.00	(\$ 250.00)
5					Tier Two	99,999	99,999	1,550.00	1,300.00	(0.2500)
6					Tier Three	99,999	99,999	1,550.00	1,300.00	(0.2500)
7					Tier Four	99,999	99,999	1,550.00	1,300.00	(0.2500)
8	Private Fire Service (all connection sizes)	\$ 25.00	\$ 35.00	\$ 10.00	n/a	n/a	n/a	n/a	n/a	n/a
9										
10	Public Fire Hydrant	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
11										
12	Coin Machine (No. of Gallons / \$0.25)	n/a	n/a	n/a	n/a	n/a	n/a	109	115	-5.44%
13										
14										
15										
16										
17										
18										
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(Continued)

**ARIZONA WATER COMPANY**  
 Test Year Ended December 31, 2014  
 Changes in Representative Rate Schedules

Line No.	Class of Service	Basic Service Charge			Tier Breakover (M Gals)			Volumetric Charge (M Gal)		
		Present Rate	Proposed Rate - Settlement	Change	Present	Proposed - Settlement	Change	Present Rate	Proposed Rate - Settlement	Change
[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]		
1										
2										
3	Construction 5/8 x 3/4-inch	n/a	\$ 25.00	n/a	Tier One n/a	3	n/a	\$ 1,991.0	n/a	
4					Tier Two n/a	15	n/a	\$ 2,595.3	n/a	
5					Tier Three n/a	99,999	n/a	\$ 3,804.1	n/a	
6					Tier Four n/a	99,999	n/a	\$ 3,804.1	n/a	
7										
8	Construction 3/4-inch	n/a	\$ 37.50	n/a	Tier One n/a	5	n/a	\$ 1,991.0	n/a	
9					Tier Two n/a	20	n/a	\$ 2,595.3	n/a	
10					Tier Three n/a	99,999	n/a	\$ 3,804.1	n/a	
11					Tier Four n/a	99,999	n/a	\$ 3,804.1	n/a	
12										
13	Construction 1-inch	n/a	\$ 62.50	n/a	Tier One n/a	8	n/a	\$ 1,991.0	n/a	
14					Tier Two n/a	38	n/a	\$ 2,595.3	n/a	
15					Tier Three n/a	99,999	n/a	\$ 3,804.1	n/a	
16					Tier Four n/a	99,999	n/a	\$ 3,804.1	n/a	
17										
18	Construction 1/2-inch	n/a	\$ 125.00	n/a	Tier One n/a	15	n/a	\$ 1,991.0	n/a	
19					Tier Two n/a	75	n/a	\$ 2,595.3	n/a	
20					Tier Three n/a	99,999	n/a	\$ 3,804.1	n/a	
21					Tier Four n/a	99,999	n/a	\$ 3,804.1	n/a	
22										
23	Construction 2-inch	\$ 128.00	\$ 200.00	\$ 72.00	Tier One 95	24	\$ 2,102.6	\$ 1,991.0	\$ (0.1116)	
24					Tier Two 99,999	120	\$ 3,259.0	\$ 2,595.3	\$ (0.6637)	
25					Tier Three 99,999	99,999	\$ 3,259.0	\$ 3,804.1	\$ 0.5451	
26					Tier Four 99,999	99,999	\$ 3,259.0	\$ 3,804.1	\$ 0.5451	
27										
28	Construction 3-inch	\$ 256.00	\$ 400.00	\$ 144.00	Tier One 195	48	\$ 2,102.6	\$ 1,991.0	\$ (0.1116)	
29					Tier Two 99,999	240	\$ 3,259.0	\$ 2,595.3	\$ (0.6637)	
30					Tier Three 99,999	99,999	\$ 3,259.0	\$ 3,804.1	\$ 0.5451	
31					Tier Four 99,999	99,999	\$ 3,259.0	\$ 3,804.1	\$ 0.5451	
32										
33	Construction 4-inch	\$ 400.00	\$ 625.00	\$ 225.00	Tier One 315	75	\$ 2,102.6	\$ 1,991.0	\$ (0.1116)	
34					Tier Two 99,999	375	\$ 3,259.0	\$ 2,595.3	\$ (0.6637)	
35					Tier Three 99,999	99,999	\$ 3,259.0	\$ 3,804.1	\$ 0.5451	
36					Tier Four 99,999	99,999	\$ 3,259.0	\$ 3,804.1	\$ 0.5451	
37										
38	Construction 6-inch	n/a	\$ 1,250.00	n/a	Tier One n/a	150	\$ n/a	\$ 1,991.0	n/a	
39					Tier Two n/a	750	\$ n/a	\$ 2,595.3	n/a	
40					Tier Three n/a	99,999	\$ n/a	\$ 3,804.1	n/a	
41					Tier Four n/a	99,999	\$ n/a	\$ 3,804.1	n/a	
42										
43	Construction 8-inch	n/a	\$ 2,000.00	n/a	Tier One n/a	240	\$ n/a	\$ 1,991.0	n/a	
44					Tier Two n/a	1,200	\$ n/a	\$ 2,595.3	n/a	
45					Tier Three n/a	99,999	\$ n/a	\$ 3,804.1	n/a	
46					Tier Four n/a	99,999	\$ n/a	\$ 3,804.1	n/a	
47										
48	Construction 10-inch	n/a	\$ 2,875.00	n/a	Tier One n/a	345	\$ n/a	\$ 1,991.0	n/a	
49					Tier Two n/a	1,725	\$ n/a	\$ 2,595.3	n/a	
50					Tier Three n/a	99,999	\$ n/a	\$ 3,804.1	n/a	
51					Tier Four n/a	99,999	\$ n/a	\$ 3,804.1	n/a	
52										
53										
54										
55										

\*\*For Service Charges See Western Group Service Charge Tariff at the end of this schedule\*\*

(Continued)

Line No.	Class of Service	[A]		[B]		[C]		[D]		[E]		[F]		[G]		[H]		[I]	
		Basic Service Charge		Tier Breakover (M Gals)		Tier Breakover (M Gals)		Tier Breakover (M Gals)		Tier Breakover (M Gals)		Tier Breakover (M Gals)		Tier Breakover (M Gals)		Tier Breakover (M Gals)		Volumetric Charge (M Gal)	
		Present Rate	Proposed Rate - Settlement	Change	Present	Proposed Settlement	Present	Proposed Settlement	Present	Proposed Settlement	Present	Proposed Settlement	Present	Proposed Settlement	Present	Proposed Settlement	Present	Proposed Settlement	Change
1																			
2																			
3	Sales for Resale 5/8-Inch	\$ 16.00	\$ 25.00	\$ 9.00	Tier One	99,999	99,999			\$ 1.5500	\$ 1.9910	\$ 0.4410							
4					Tier Two	99,999	99,999			1.5500	1.9910	0.4410							
5					Tier Three	99,999	99,999			1.5500	1.9910	0.4410							
6					Tier Four	99,999	99,999			1.5500	1.9910	0.4410							
7																			
8	Sales for Resale 3/4-Inch	n/a	\$ 37.50	n/a	Tier One	n/a	99,999			n/a	\$ 1.9910	n/a							
9					Tier Two	n/a	99,999			n/a	1.9910	n/a							
10					Tier Three	n/a	99,999			n/a	1.9910	n/a							
11					Tier Four	n/a	99,999			n/a	1.9910	n/a							
12																			
13	Sales for Resale 1-Inch	\$ 40.00	\$ 62.50	\$ 22.50	Tier One	99,999	99,999			\$ 1.5500	\$ 1.9910	\$ 0.4410							
14					Tier Two	99,999	99,999			1.5500	1.9910	0.4410							
15					Tier Three	99,999	99,999			1.5500	1.9910	0.4410							
16					Tier Four	99,999	99,999			1.5500	1.9910	0.4410							
17																			
18	Sales for Resale 1/2-Inch	\$ 80.00	\$ 125.00	\$ 45.00	Tier One	99,999	99,999			\$ 1.5500	\$ 1.9910	\$ 0.4410							
19					Tier Two	99,999	99,999			1.5500	1.9910	0.4410							
20					Tier Three	99,999	99,999			1.5500	1.9910	0.4410							
21					Tier Four	99,999	99,999			1.5500	1.9910	0.4410							
22																			
23	Sales for Resale 2-Inch	\$ 128.00	\$ 200.00	\$ 72.00	Tier One	99,999	99,999			\$ 1.5500	\$ 1.9910	\$ 0.4410							
24					Tier Two	99,999	99,999			1.5500	1.9910	0.4410							
25					Tier Three	99,999	99,999			1.5500	1.9910	0.4410							
26					Tier Four	99,999	99,999			1.5500	1.9910	0.4410							
27																			
28	Sales for Resale 3-Inch	\$ 256.00	\$ 400.00	\$ 144.00	Tier One	99,999	99,999			\$ 1.5500	\$ 1.9910	\$ 0.4410							
29					Tier Two	99,999	99,999			1.5500	1.9910	0.4410							
30					Tier Three	99,999	99,999			1.5500	1.9910	0.4410							
31					Tier Four	99,999	99,999			1.5500	1.9910	0.4410							
32																			
33	Sales for Resale 4-Inch	\$ 400.00	\$ 625.00	\$ 225.00	Tier One	99,999	99,999			\$ 1.5500	\$ 1.9910	\$ 0.4410							
34					Tier Two	99,999	99,999			1.5500	1.9910	0.4410							
35					Tier Three	99,999	99,999			1.5500	1.9910	0.4410							
36					Tier Four	99,999	99,999			1.5500	1.9910	0.4410							
37																			
38	Sales for Resale 6-Inch	\$ 800.00	\$ 1,250.00	\$ 450.00	Tier One	99,999	99,999			\$ 1.5500	\$ 1.9910	\$ 0.4410							
39					Tier Two	99,999	99,999			1.5500	1.9910	0.4410							
40					Tier Three	99,999	99,999			1.5500	1.9910	0.4410							
41					Tier Four	99,999	99,999			1.5500	1.9910	0.4410							
42																			
43	Sales for Resale 8-Inch	\$ 1,280.00	\$ 2,000.00	\$ 720.00	Tier One	99,999	99,999			\$ 1.5500	\$ 1.9910	\$ 0.4410							
44					Tier Two	99,999	99,999			1.5500	1.9910	0.4410							
45					Tier Three	99,999	99,999			1.5500	1.9910	0.4410							
46					Tier Four	99,999	99,999			1.5500	1.9910	0.4410							
47																			
48	Sales for Resale 10-Inch	\$ 1,840.00	\$ 2,875.00	\$ 1,035.00	Tier One	99,999	99,999			\$ 1.5500	\$ 1.9910	\$ 0.4410							
49					Tier Two	99,999	99,999			1.5500	1.9910	0.4410							
50					Tier Three	99,999	99,999			1.5500	1.9910	0.4410							
51					Tier Four	99,999	99,999			1.5500	1.9910	0.4410							
52																			
53																			
54																			
55																			

\*\*For Service Charges See Western Group Service Charge Tariff at the end of this schedule\*\*

**ARIZONA WATER COMPANY**  
 Test Year Ended December 31, 2014  
 Changes in Representative Rate Schedules

Exhibit  
 Schedule H-3 Settlement  
 Page 7 of 19  
 Witness: Reiker

Line No.	Class of Service	White Tank														
		[A] [B]		[C]		[D]		[E]		[F]		[G]		[H]		[I]
		Present Rate	Proposed Rate	Change												
1	Residential 5/8 x 3/4 -inch	\$ 23.00	\$ 29.00	\$ 6.00	Tier One	5	3	\$ 1.8000	\$ 2.0810	\$ 0.2810	3	\$ 1.8000	\$ 2.0810	\$ 0.2810	0.0541	0.0541
2					Tier Two	15	10	3.0000	3.0541	0.0541	10	3.0000	3.0541	0.0541	0.0541	0.0541
3					Tier Three	99,999	30	5.1664	4.0271	(1.1393)	30	5.1664	4.0271	(1.1393)	(1.1393)	(1.1393)
4					Tier Four	99,999	99,999	5.1664	5.9731	0.8067	99,999	5.1664	5.9731	0.8067	0.8067	0.8067
5																
6	Residential 3/4-inch	n/a	\$ 43.50	n/a	Tier One	n/a	5	n/a	2.0810	n/a	5	n/a	2.0810	n/a	n/a	n/a
7					Tier Two	n/a	15	n/a	3.0541	n/a	15	n/a	3.0541	n/a	n/a	n/a
8					Tier Three	n/a	30	n/a	4.0271	n/a	30	n/a	4.0271	n/a	n/a	n/a
9					Tier Four	n/a	99,999	n/a	5.9731	n/a	99,999	n/a	5.9731	n/a	n/a	n/a
10																
11	Residential 1-inch	\$ 57.50	\$ 72.50	\$ 15.00	Tier One	25	8	\$ 3.0000	\$ 3.0541	\$ 0.0541	8	\$ 3.0000	\$ 3.0541	\$ 0.0541	0.0541	0.0541
12					Tier Two	99,999	20	5.1664	4.0271	(1.1393)	20	5.1664	4.0271	(1.1393)	(1.1393)	(1.1393)
13					Tier Three	99,999	99,999	5.1664	5.9731	0.8067	99,999	5.1664	5.9731	0.8067	0.8067	0.8067
14					Tier Four	99,999	99,999	5.1664	5.9731	0.8067	99,999	5.1664	5.9731	0.8067	0.8067	0.8067
15																
16	Residential 1 1/2-inch	\$ 115.00	\$ 145.00	\$ 30.00	Tier One	50	15	\$ 3.0000	\$ 3.0541	\$ 0.0541	15	\$ 3.0000	\$ 3.0541	\$ 0.0541	0.0541	0.0541
17					Tier Two	99,999	35	5.1664	4.0271	(1.1393)	35	5.1664	4.0271	(1.1393)	(1.1393)	(1.1393)
18					Tier Three	99,999	99,999	5.1664	5.9731	0.8067	99,999	5.1664	5.9731	0.8067	0.8067	0.8067
19					Tier Four	99,999	99,999	5.1664	5.9731	0.8067	99,999	5.1664	5.9731	0.8067	0.8067	0.8067
20																
21	Residential 2-inch	\$ 184.00	\$ 232.00	\$ 48.00	Tier One	80	24	\$ 3.0000	\$ 3.0541	\$ 0.0541	24	\$ 3.0000	\$ 3.0541	\$ 0.0541	0.0541	0.0541
22					Tier Two	99,999	60	5.1664	4.0271	(1.1393)	60	5.1664	4.0271	(1.1393)	(1.1393)	(1.1393)
23					Tier Three	99,999	99,999	5.1664	5.9731	0.8067	99,999	5.1664	5.9731	0.8067	0.8067	0.8067
24					Tier Four	99,999	99,999	5.1664	5.9731	0.8067	99,999	5.1664	5.9731	0.8067	0.8067	0.8067
25																
26	Residential 3-inch	\$ 368.00	\$ 464.00	\$ 96.00	Tier One	160	48	\$ 3.0000	\$ 3.0541	\$ 0.0541	48	\$ 3.0000	\$ 3.0541	\$ 0.0541	0.0541	0.0541
27					Tier Two	99,999	120	5.1664	4.0271	(1.1393)	120	5.1664	4.0271	(1.1393)	(1.1393)	(1.1393)
28					Tier Three	99,999	99,999	5.1664	5.9731	0.8067	99,999	5.1664	5.9731	0.8067	0.8067	0.8067
29					Tier Four	99,999	99,999	5.1664	5.9731	0.8067	99,999	5.1664	5.9731	0.8067	0.8067	0.8067
30																
31	Residential 4-inch	\$ 575.00	\$ 725.00	\$ 150.00	Tier One	250	75	\$ 3.0000	\$ 3.0541	\$ 0.0541	75	\$ 3.0000	\$ 3.0541	\$ 0.0541	0.0541	0.0541
32					Tier Two	99,999	200	5.1664	4.0271	(1.1393)	200	5.1664	4.0271	(1.1393)	(1.1393)	(1.1393)
33					Tier Three	99,999	99,999	5.1664	5.9731	0.8067	99,999	5.1664	5.9731	0.8067	0.8067	0.8067
34					Tier Four	99,999	99,999	5.1664	5.9731	0.8067	99,999	5.1664	5.9731	0.8067	0.8067	0.8067
35																
36	Residential 6-inch	\$ 1,150.00	\$ 1,450.00	\$ 300.00	Tier One	500	150	\$ 3.0000	\$ 3.0541	\$ 0.0541	150	\$ 3.0000	\$ 3.0541	\$ 0.0541	0.0541	0.0541
37					Tier Two	99,999	425	5.1664	4.0271	(1.1393)	425	5.1664	4.0271	(1.1393)	(1.1393)	(1.1393)
38					Tier Three	99,999	99,999	5.1664	5.9731	0.8067	99,999	5.1664	5.9731	0.8067	0.8067	0.8067
39					Tier Four	99,999	99,999	5.1664	5.9731	0.8067	99,999	5.1664	5.9731	0.8067	0.8067	0.8067
40																
41	Residential 8-inch	\$ 1,840.00	\$ 2,320.00	\$ 480.00	Tier One	800	240	\$ 3.0000	\$ 3.0541	\$ 0.0541	240	\$ 3.0000	\$ 3.0541	\$ 0.0541	0.0541	0.0541
42					Tier Two	99,999	800	5.1664	4.0271	(1.1393)	800	5.1664	4.0271	(1.1393)	(1.1393)	(1.1393)
43					Tier Three	99,999	99,999	5.1664	5.9731	0.8067	99,999	5.1664	5.9731	0.8067	0.8067	0.8067
44					Tier Four	99,999	99,999	5.1664	5.9731	0.8067	99,999	5.1664	5.9731	0.8067	0.8067	0.8067
45																
46	Residential 10-inch	\$ 2,645.00	\$ 3,335.00	\$ 690.00	Tier One	1,150	345	\$ 3.0000	\$ 3.0541	\$ 0.0541	345	\$ 3.0000	\$ 3.0541	\$ 0.0541	0.0541	0.0541
47					Tier Two	99,999	1,150	5.1664	4.0271	(1.1393)	1,150	5.1664	4.0271	(1.1393)	(1.1393)	(1.1393)
48					Tier Three	99,999	99,999	5.1664	5.9731	0.8067	99,999	5.1664	5.9731	0.8067	0.8067	0.8067
49					Tier Four	99,999	99,999	5.1664	5.9731	0.8067	99,999	5.1664	5.9731	0.8067	0.8067	0.8067
50																
51																
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(Continued)

\*\*For Service Charges See Western Group Service Charge Tariff at the end of this schedule\*\*

Line No.	Class of Service	White Tank				Proposed - Settlement	Volumetric Charge (M Gal)					
		Basic Service Charge		Tier Breakover (M Gals)			Present Rate		Proposed Rate - Settlement		Change	
		Present Rate	Proposed Rate - Settlement	Change	Tier		Present Rate	Proposed Rate - Settlement	Change			
1												
2	Commercial 5/8 x 3/4 -inch	\$ 23.00	\$ 35.00	\$ 12.00	Tier One	10	5	\$ 3,000.00	\$ 3,054.1	\$ 0.0541	\$ 3,054.1	\$ 0.0541
3					Tier Two	99,999	20	5,166.4	4,027.1	(1,139.3)	4,027.1	(1,139.3)
4					Tier Three	99,999	99,999	5,166.4	5,973.1	0.8067	5,973.1	0.8067
5					Tier Four	99,999	99,999	5,166.4	5,973.1	0.8067	5,973.1	0.8067
6	Commercial 3/4-inch	n/a	\$ 52.50	n/a	Tier One	n/a	8	n/a	\$ 3,054.1	n/a	\$ 3,054.1	n/a
7					Tier Two	n/a	25	n/a	4,027.1	n/a	4,027.1	n/a
8					Tier Three	n/a	99,999	n/a	5,973.1	n/a	5,973.1	n/a
9					Tier Four	n/a	99,999	n/a	5,973.1	n/a	5,973.1	n/a
10												
11												
12	Commercial 1-inch	\$ 57.50	\$ 87.50	\$ 30.00	Tier One	20	13	\$ 3,000.00	\$ 3,054.1	\$ 0.0541	\$ 3,054.1	\$ 0.0541
13					Tier Two	99,999	35	5,166.4	4,027.1	(1,139.3)	4,027.1	(1,139.3)
14					Tier Three	99,999	99,999	5,166.4	5,973.1	0.8067	5,973.1	0.8067
15					Tier Four	99,999	99,999	5,166.4	5,973.1	0.8067	5,973.1	0.8067
16	Commercial 1½-inch	\$ 115.00	\$ 175.00	\$ 60.00	Tier One	45	25	\$ 3,000.00	\$ 3,054.1	\$ 0.0541	\$ 3,054.1	\$ 0.0541
17					Tier Two	99,999	50	5,166.4	4,027.1	(1,139.3)	4,027.1	(1,139.3)
18					Tier Three	99,999	99,999	5,166.4	5,973.1	0.8067	5,973.1	0.8067
19					Tier Four	99,999	99,999	5,166.4	5,973.1	0.8067	5,973.1	0.8067
20												
21												
22	Commercial 2-inch	\$ 184.00	\$ 280.00	\$ 96.00	Tier One	75	40	\$ 3,000.00	\$ 3,054.1	\$ 0.0541	\$ 3,054.1	\$ 0.0541
23					Tier Two	99,999	75	5,166.4	4,027.1	(1,139.3)	4,027.1	(1,139.3)
24					Tier Three	99,999	99,999	5,166.4	5,973.1	0.8067	5,973.1	0.8067
25					Tier Four	99,999	99,999	5,166.4	5,973.1	0.8067	5,973.1	0.8067
26												
27	Commercial 3-inch	\$ 368.00	\$ 560.00	\$ 192.00	Tier One	155	80	\$ 3,000.00	\$ 3,054.1	\$ 0.0541	\$ 3,054.1	\$ 0.0541
28					Tier Two	99,999	150	5,166.4	4,027.1	(1,139.3)	4,027.1	(1,139.3)
29					Tier Three	99,999	99,999	5,166.4	5,973.1	0.8067	5,973.1	0.8067
30					Tier Four	99,999	99,999	5,166.4	5,973.1	0.8067	5,973.1	0.8067
31												
32	Commercial 4-inch	\$ 575.00	\$ 875.00	\$ 300.00	Tier One	245	125	\$ 3,000.00	\$ 3,054.1	\$ 0.0541	\$ 3,054.1	\$ 0.0541
33					Tier Two	99,999	240	5,166.4	4,027.1	(1,139.3)	4,027.1	(1,139.3)
34					Tier Three	99,999	99,999	5,166.4	5,973.1	0.8067	5,973.1	0.8067
35					Tier Four	99,999	99,999	5,166.4	5,973.1	0.8067	5,973.1	0.8067
36												
37	Commercial 6-inch	\$ 1,150.00	\$ 1,750.00	\$ 600.00	Tier One	500	250	\$ 3,000.00	\$ 3,054.1	\$ 0.0541	\$ 3,054.1	\$ 0.0541
38					Tier Two	99,999	1,000	5,166.4	4,027.1	(1,139.3)	4,027.1	(1,139.3)
39					Tier Three	99,999	99,999	5,166.4	5,973.1	0.8067	5,973.1	0.8067
40					Tier Four	99,999	99,999	5,166.4	5,973.1	0.8067	5,973.1	0.8067
41												
42	Commercial 8-inch	\$ 1,840.00	\$ 2,800.00	\$ 960.00	Tier One	800	400	\$ 3,000.00	\$ 3,054.1	\$ 0.0541	\$ 3,054.1	\$ 0.0541
43					Tier Two	99,999	1,600	5,166.4	4,027.1	(1,139.3)	4,027.1	(1,139.3)
44					Tier Three	99,999	99,999	5,166.4	5,973.1	0.8067	5,973.1	0.8067
45					Tier Four	99,999	99,999	5,166.4	5,973.1	0.8067	5,973.1	0.8067
46												
47	Commercial 10-inch	\$ 2,645.00	\$ 4,025.00	\$ 1,380.00	Tier One	1,150	575	\$ 3,000.00	\$ 3,054.1	\$ 0.0541	\$ 3,054.1	\$ 0.0541
48					Tier Two	99,999	2,300	5,166.4	4,027.1	(1,139.3)	4,027.1	(1,139.3)
49					Tier Three	99,999	99,999	5,166.4	5,973.1	0.8067	5,973.1	0.8067
50					Tier Four	99,999	99,999	5,166.4	5,973.1	0.8067	5,973.1	0.8067
51												
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(Continued)

\*\*For Service Charges See Western Group Service Charge Tariff at the end of this schedule\*\*

Line No.	Class of Service	Basic Service Charge		Tier Breakover (M Gals)		Volumetric Charge (M Gal)					
		Present Rate	Proposed Rate - Settlement Change	Present	Proposed - Settlement	Present Rate	Proposed Rate - Settlement Change				
		[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	
1	Industrial 5/8 x 3/4 -inch	\$ 23.00	\$ 35.00	\$ 12.00	Tier One	10	99,999	\$ 3,000.00	\$ 4,027.1	\$ 1,027.1	(1,139.3)
2					Tier Two	99,999	5,166.4	4,027.1	4,027.1	(1,139.3)	(1,139.3)
3					Tier Three	99,999	5,166.4	4,027.1	4,027.1	(1,139.3)	(1,139.3)
4					Tier Four	99,999	5,166.4	4,027.1	4,027.1	(1,139.3)	(1,139.3)
5											
6	Industrial 3/4-inch	n/a	\$ 52.50	n/a	Tier One	n/a	99,999	n/a	\$ 4,027.1	n/a	n/a
7					Tier Two	n/a	99,999	n/a	4,027.1	n/a	n/a
8					Tier Three	n/a	99,999	n/a	4,027.1	n/a	n/a
9					Tier Four	n/a	99,999	n/a	4,027.1	n/a	n/a
10											
11											
12	Industrial 1-inch	\$ 57.50	\$ 87.50	\$ 30.00	Tier One	20	99,999	\$ 3,000.00	\$ 4,027.1	\$ 1,027.1	(1,139.3)
13					Tier Two	99,999	5,166.4	5,166.4	4,027.1	4,027.1	(1,139.3)
14					Tier Three	99,999	5,166.4	5,166.4	4,027.1	4,027.1	(1,139.3)
15					Tier Four	99,999	5,166.4	5,166.4	4,027.1	4,027.1	(1,139.3)
16											
17	Industrial 1½-inch	\$ 115.00	\$ 175.00	\$ 60.00	Tier One	45	99,999	\$ 3,000.00	\$ 4,027.1	\$ 1,027.1	(1,139.3)
18					Tier Two	99,999	5,166.4	5,166.4	4,027.1	4,027.1	(1,139.3)
19					Tier Three	99,999	5,166.4	5,166.4	4,027.1	4,027.1	(1,139.3)
20					Tier Four	99,999	5,166.4	5,166.4	4,027.1	4,027.1	(1,139.3)
21											
22	Industrial 2-inch	\$ 184.00	\$ 280.00	\$ 96.00	Tier One	75	99,999	\$ 3,000.00	\$ 4,027.1	\$ 1,027.1	(1,139.3)
23					Tier Two	99,999	5,166.4	5,166.4	4,027.1	4,027.1	(1,139.3)
24					Tier Three	99,999	5,166.4	5,166.4	4,027.1	4,027.1	(1,139.3)
25					Tier Four	99,999	5,166.4	5,166.4	4,027.1	4,027.1	(1,139.3)
26											
27	Industrial 3-inch	\$ 368.00	\$ 560.00	\$ 192.00	Tier One	155	99,999	\$ 3,000.00	\$ 4,027.1	\$ 1,027.1	(1,139.3)
28					Tier Two	99,999	5,166.4	5,166.4	4,027.1	4,027.1	(1,139.3)
29					Tier Three	99,999	5,166.4	5,166.4	4,027.1	4,027.1	(1,139.3)
30					Tier Four	99,999	5,166.4	5,166.4	4,027.1	4,027.1	(1,139.3)
31											
32	Industrial 4-inch	\$ 575.00	\$ 875.00	\$ 300.00	Tier One	245	99,999	\$ 3,000.00	\$ 4,027.1	\$ 1,027.1	(1,139.3)
33					Tier Two	99,999	5,166.4	5,166.4	4,027.1	4,027.1	(1,139.3)
34					Tier Three	99,999	5,166.4	5,166.4	4,027.1	4,027.1	(1,139.3)
35					Tier Four	99,999	5,166.4	5,166.4	4,027.1	4,027.1	(1,139.3)
36											
37	Industrial 6-inch	\$ 1,150.00	\$ 1,750.00	\$ 600.00	Tier One	99,999	99,999	\$ 3,000.00	\$ 3,500.00	\$ 500.00	0.5000
38					Tier Two	99,999	99,999	3,000.00	3,500.00	500.00	0.5000
39					Tier Three	99,999	99,999	3,000.00	3,500.00	500.00	0.5000
40					Tier Four	99,999	99,999	3,000.00	3,500.00	500.00	0.5000
41											
42	Industrial 8-inch	\$ 1,840.00	\$ 2,800.00	\$ 960.00	Tier One	99,999	99,999	\$ 3,000.00	\$ 3,500.00	\$ 500.00	0.5000
43					Tier Two	99,999	99,999	3,000.00	3,500.00	500.00	0.5000
44					Tier Three	99,999	99,999	3,000.00	3,500.00	500.00	0.5000
45					Tier Four	99,999	99,999	3,000.00	3,500.00	500.00	0.5000
46											
47	Industrial 10-inch	\$ 2,645.00	\$ 4,025.00	\$ 1,380.00	Tier One	99,999	99,999	\$ 3,000.00	\$ 3,500.00	\$ 500.00	0.5000
48					Tier Two	99,999	99,999	3,000.00	3,500.00	500.00	0.5000
49					Tier Three	99,999	99,999	3,000.00	3,500.00	500.00	0.5000
50					Tier Four	99,999	99,999	3,000.00	3,500.00	500.00	0.5000
51											
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55											

(Continued)

\*\*For Service Charges See Western Group Service Charge Tariff at the end of this schedule\*\*



Line No.	Class of Service	White Tank				Tier Breakover (M Gals)	Basic Service Charge		Tier Breakover (M Gals)		Volumetric Charge (M Gal)	
		[A]	[B]	[C]	[D]		[E]	[F]	[G]	[H]	[I]	
		Present Rate	Proposed Rate - Settlement	Change	Tier One		Present	Proposed - Settlement	Present Rate	Proposed Rate - Settlement	Change	
1												
2												
3	Construction 5/8 x 3/4-inch	n/a	25.00	n/a	Tier One	n/a	5	n/a	\$	3.0541	n/a	n/a
4					Tier Two	n/a	20	n/a		4.0271	n/a	n/a
5					Tier Three	n/a	99,999	n/a		5.9731	n/a	n/a
6					Tier Four	n/a	99,999	n/a		5.9731	n/a	n/a
7												
8	Construction 3/4-inch	n/a	37.50	n/a	Tier One	n/a	8	n/a	\$	3.0541	n/a	n/a
9					Tier Two	n/a	25	n/a		4.0271	n/a	n/a
10					Tier Three	n/a	99,999	n/a		5.9731	n/a	n/a
11					Tier Four	n/a	99,999	n/a		5.9731	n/a	n/a
12												
13	Construction 1-inch	n/a	62.50	n/a	Tier One	n/a	13	n/a	\$	3.0541	n/a	n/a
14					Tier Two	n/a	35	n/a		4.0271	n/a	n/a
15					Tier Three	n/a	99,999	n/a		5.9731	n/a	n/a
16					Tier Four	n/a	99,999	n/a		5.9731	n/a	n/a
17												
18	Construction 1/2-inch	n/a	125.00	n/a	Tier One	n/a	25	n/a	\$	3.0541	n/a	n/a
19					Tier Two	n/a	50	n/a		4.0271	n/a	n/a
20					Tier Three	n/a	99,999	n/a		5.9731	n/a	n/a
21					Tier Four	n/a	99,999	n/a		5.9731	n/a	n/a
22												
23	Construction 2-inch	\$ 184.00	200.00	\$ 16.00	Tier One	75	40	\$ 3,000.00	\$	3.0541	\$ 0.0541	0.0541
24					Tier Two	99,999	75	5,1664		4.0271	(1.1393)	(1.1393)
25					Tier Three	99,999	99,999	5,1664		5.9731	0.8067	0.8067
26					Tier Four	99,999	99,999	5,1664		5.9731	0.8067	0.8067
27												
28	Construction 3-inch	\$ 368.00	400.00	\$ 32.00	Tier One	155	80	\$ 3,000.00	\$	3.0541	\$ 0.0541	0.0541
29					Tier Two	99,999	150	5,1664		4.0271	(1.1393)	(1.1393)
30					Tier Three	99,999	99,999	5,1664		5.9731	0.8067	0.8067
31					Tier Four	99,999	99,999	5,1664		5.9731	0.8067	0.8067
32												
33	Construction 4-inch	\$ 575.00	625.00	\$ 50.00	Tier One	245	125	\$ 3,000.00	\$	3.0541	\$ 0.0541	0.0541
34					Tier Two	99,999	240	5,1664		4.0271	(1.1393)	(1.1393)
35					Tier Three	99,999	99,999	5,1664		5.9731	0.8067	0.8067
36					Tier Four	99,999	99,999	5,1664		5.9731	0.8067	0.8067
37												
38	Construction 6-inch	n/a	1,250.00	n/a	Tier One	n/a	250	n/a	\$	3.0541	n/a	n/a
39					Tier Two	n/a	1,000	n/a		4.0271	n/a	n/a
40					Tier Three	n/a	99,999	n/a		5.9731	n/a	n/a
41					Tier Four	n/a	99,999	n/a		5.9731	n/a	n/a
42												
43	Construction 8-inch	n/a	2,000.00	n/a	Tier One	n/a	400	n/a	\$	3.0541	n/a	n/a
44					Tier Two	n/a	1,600	n/a		4.0271	n/a	n/a
45					Tier Three	n/a	99,999	n/a		5.9731	n/a	n/a
46					Tier Four	n/a	99,999	n/a		5.9731	n/a	n/a
47												
48	Construction 10-inch	n/a	2,875.00	n/a	Tier One	n/a	575	n/a	\$	3.0541	n/a	n/a
49					Tier Two	n/a	2,300	n/a		4.0271	n/a	n/a
50					Tier Three	n/a	99,999	n/a		5.9731	n/a	n/a
51					Tier Four	n/a	99,999	n/a		5.9731	n/a	n/a
52					(Continued)							
53					(Continued)							
54												
55												

\*\*For Service Charges See Western Group Service Charge Tariff at the end of this schedule\*\*

Line No.	Class of Service	Basic Service Charge				Tier Breakover (M Gals)				Volumetric Charge (M Gal)														
		Present		Proposed		Present		Proposed		Present		Proposed												
		Rate	Change	Rate	Change	Rate	Change	Rate	Change	Rate	Change	Rate	Change											
1																								
2	Sales for Resale 5/8-Inch	\$ 23.00	\$ 2.00																					
3																								
4																								
5																								
6																								
7																								
8	Sales for Resale 3/4-Inch	n/a	\$ 37.50	n/a																				
9																								
10																								
11																								
12																								
13	Sales for Resale 1-Inch	\$ 57.50	\$ 62.50	\$ 5.00																				
14																								
15																								
16																								
17																								
18	Sales for Resale 1/2-Inch	\$ 115.00	\$ 125.00	\$ 10.00																				
19																								
20																								
21																								
22																								
23	Sales for Resale 2-Inch	\$ 184.00	\$ 200.00	\$ 16.00																				
24																								
25																								
26																								
27																								
28	Sales for Resale 3-Inch	\$ 368.00	\$ 400.00	\$ 32.00																				
29																								
30																								
31																								
32																								
33	Sales for Resale 4-Inch	\$ 575.00	\$ 625.00	\$ 50.00																				
34																								
35																								
36																								
37																								
38	Sales for Resale 6-Inch	\$ 1,150.00	\$ 1,250.00	\$ 100.00																				
39																								
40																								
41																								
42																								
43	Sales for Resale 8-Inch	\$ 1,840.00	\$ 2,000.00	\$ 160.00																				
44																								
45																								
46																								
47																								
48	Sales for Resale 10-Inch	\$ 2,645.00	\$ 2,875.00	\$ 230.00																				
49																								
50																								
51																								
52																								
53																								
54																								
55																								

\*\*For Service Charges See Western Group Service Charge Tariff at the end of this schedule\*\*

Line No.	Class of Service	[A] [B] [C]		[D]		[E] Ajo		[F]		[G]		[H]		[I]
		Basic Service Charge		Tier Breakover (M Gals)		Tier Breakover (M Gals)		Proposed Settlement		Present Rate		Proposed Rate - Settlement		Change
		Present Rate	Proposed Rate	Rate - Settlement	Change	Present	Proposed	Settlement	Change	Rate	Settlement	Rate - Settlement	Change	
1														
2	Residential 5/8 x 3/4 -inch	\$ 25.00	\$ 28.00	\$ 3.00										
3					Tier One	3	2		\$ 3,361.7	\$ 3,921.0	\$ (0.5593)			
4					Tier Two	10	5		5,950.2	5,630.0	(0.3202)			
5					Tier Three	99,999	10		9,222.8	7,339.1	(1.8837)			
6					Tier Four	99,999	99,999		9,222.8	10,757.2	1,534.4			
7	Residential 3/4-inch			n/a	Tier One	n/a	3		n/a	3,921.0	n/a			
8					Tier Two	n/a	7		n/a	5,630.0	n/a			
9					Tier Three	n/a	11		n/a	7,339.1	n/a			
10					Tier Four	n/a	99,999		n/a	10,757.2	n/a			
11														
12	Residential 1-inch	\$ 62.50	\$ 70.00	\$ 7.50	Tier One	15	5		\$ 5,950.2	\$ 5,630.0	\$ (0.3202)			
13					Tier Two	99,999	13		9,222.8	7,339.1	(1.8837)			
14					Tier Three	99,999	99,999		9,222.8	10,757.2	1,534.4			
15					Tier Four	99,999	99,999		9,222.8	10,757.2	1,534.4			
16														
17	Residential 1 1/2-inch	\$ 125.00	\$ 140.00	\$ 15.00	Tier One	30	10		\$ 5,950.2	\$ 5,630.0	\$ (0.3202)			
18					Tier Two	99,999	25		9,222.8	7,339.1	(1.8837)			
19					Tier Three	99,999	99,999		9,222.8	10,757.2	1,534.4			
20					Tier Four	99,999	99,999		9,222.8	10,757.2	1,534.4			
21														
22	Residential 2-inch	\$ 200.00	\$ 224.00	\$ 24.00	Tier One	50	16		\$ 5,950.2	\$ 5,630.0	\$ (0.3202)			
23					Tier Two	99,999	40		9,222.8	7,339.1	(1.8837)			
24					Tier Three	99,999	99,999		9,222.8	10,757.2	1,534.4			
25					Tier Four	99,999	99,999		9,222.8	10,757.2	1,534.4			
26														
27	Residential 3-inch	\$ 400.00	\$ 448.00	\$ 48.00	Tier One	100	32		\$ 5,950.2	\$ 5,630.0	\$ (0.3202)			
28					Tier Two	99,999	80		9,222.8	7,339.1	(1.8837)			
29					Tier Three	99,999	99,999		9,222.8	10,757.2	1,534.4			
30					Tier Four	99,999	99,999		9,222.8	10,757.2	1,534.4			
31														
32	Residential 4-inch	\$ 625.00	\$ 700.00	\$ 75.00	Tier One	150	50		\$ 5,950.2	\$ 5,630.0	\$ (0.3202)			
33					Tier Two	99,999	125		9,222.8	7,339.1	(1.8837)			
34					Tier Three	99,999	99,999		9,222.8	10,757.2	1,534.4			
35					Tier Four	99,999	99,999		9,222.8	10,757.2	1,534.4			
36														
37	Residential 6-inch	\$ 1,250.00	\$ 1,400.00	\$ 150.00	Tier One	330	100		\$ 5,950.2	\$ 5,630.0	\$ (0.3202)			
38					Tier Two	99,999	250		9,222.8	7,339.1	(1.8837)			
39					Tier Three	99,999	99,999		9,222.8	10,757.2	1,534.4			
40					Tier Four	99,999	99,999		9,222.8	10,757.2	1,534.4			
41														
42	Residential 8-inch	\$ 2,000.00	\$ 2,240.00	\$ 240.00	Tier One	525	160		\$ 5,950.2	\$ 5,630.0	\$ (0.3202)			
43					Tier Two	99,999	400		9,222.8	7,339.1	(1.8837)			
44					Tier Three	99,999	99,999		9,222.8	10,757.2	1,534.4			
45					Tier Four	99,999	99,999		9,222.8	10,757.2	1,534.4			
46														
47	Residential 10-inch	\$ 2,875.00	\$ 3,220.00	\$ 345.00	Tier One	775	230		\$ 5,950.2	\$ 5,630.0	\$ (0.3202)			
48					Tier Two	99,999	575		9,222.8	7,339.1	(1.8837)			
49					Tier Three	99,999	99,999		9,222.8	10,757.2	1,534.4			
50					Tier Four	99,999	99,999		9,222.8	10,757.2	1,534.4			
51														
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54														
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(Continued)

\*\*For Service Charges See Western Group Service Charge Tariff at the end of this schedule\*\*

Line No.	Class of Service	Basic Service Charge		Tier Breakover (M Gals)		Proposed - Settlement		Volumetric Charge (M Gal)		
		Present Rate	Proposed Rate - Settlement	Present Rate	Proposed Settlement	Present Rate	Proposed Settlement	Present Rate	Proposed Rate - Settlement	
		[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]
1	Commercial 5/8 x 3/4 -inch	\$ 25.00	\$ 33.00	\$ 8.00	Tier One	10	2	\$ 5,9502	\$ 5,6300	\$ (0.3202)
2					Tier Two	99,999	18	9,2228	7,3391	(1,8837)
3					Tier Three	99,999	99,999	9,2228	10,7572	1,5344
4					Tier Four	99,999	99,999	9,2228	10,7572	1,5344
5										
6	Commercial 3/4-inch	n/a	\$ 49.50	n/a	Tier One	n/a	3	n/a	\$ 5,6300	n/a
7					Tier Two	n/a	20	n/a	7,3391	n/a
8					Tier Three	n/a	99,999	n/a	10,7572	n/a
9					Tier Four	n/a	99,999	n/a	10,7572	n/a
10										
11	Commercial 1-inch	\$ 62.50	\$ 82.50	\$ 20.00	Tier One	15	5	\$ 5,9502	\$ 5,6300	\$ (0.3202)
12					Tier Two	99,999	25	9,2228	7,3391	(1,8837)
13					Tier Three	99,999	99,999	9,2228	10,7572	1,5344
14					Tier Four	99,999	99,999	9,2228	10,7572	1,5344
15										
16	Commercial 1 1/2-inch	\$ 125.00	\$ 165.00	\$ 40.00	Tier One	30	10	\$ 5,9502	\$ 5,6300	\$ (0.3202)
17					Tier Two	99,999	40	9,2228	7,3391	(1,8837)
18					Tier Three	99,999	99,999	9,2228	10,7572	1,5344
19					Tier Four	99,999	99,999	9,2228	10,7572	1,5344
20										
21	Commercial 2-inch	\$ 200.00	\$ 264.00	\$ 64.00	Tier One	50	16	\$ 5,9502	\$ 5,6300	\$ (0.3202)
22					Tier Two	99,999	60	9,2228	7,3391	(1,8837)
23					Tier Three	99,999	99,999	9,2228	10,7572	1,5344
24					Tier Four	99,999	99,999	9,2228	10,7572	1,5344
25										
26	Commercial 3-inch	\$ 400.00	\$ 528.00	\$ 128.00	Tier One	100	32	\$ 5,9502	\$ 5,6300	\$ (0.3202)
27					Tier Two	99,999	120	9,2228	7,3391	(1,8837)
28					Tier Three	99,999	99,999	9,2228	10,7572	1,5344
29					Tier Four	99,999	99,999	9,2228	10,7572	1,5344
30										
31	Commercial 4-inch	\$ 625.00	\$ 825.00	\$ 200.00	Tier One	150	50	\$ 5,9502	\$ 5,6300	\$ (0.3202)
32					Tier Two	99,999	185	9,2228	7,3391	(1,8837)
33					Tier Three	99,999	99,999	9,2228	10,7572	1,5344
34					Tier Four	99,999	99,999	9,2228	10,7572	1,5344
35										
36	Commercial 6-inch	\$ 1,250.00	\$ 1,650.00	\$ 400.00	Tier One	330	100	\$ 5,9502	\$ 5,6300	\$ (0.3202)
37					Tier Two	99,999	300	9,2228	7,3391	(1,8837)
38					Tier Three	99,999	99,999	9,2228	10,7572	1,5344
39					Tier Four	99,999	99,999	9,2228	10,7572	1,5344
40										
41	Commercial 8-inch	\$ 2,000.00	\$ 2,640.00	\$ 640.00	Tier One	525	160	\$ 5,9502	\$ 5,6300	\$ (0.3202)
42					Tier Two	99,999	500	9,2228	7,3391	(1,8837)
43					Tier Three	99,999	99,999	9,2228	10,7572	1,5344
44					Tier Four	99,999	99,999	9,2228	10,7572	1,5344
45										
46	Commercial 10-inch	\$ 2,875.00	\$ 3,795.00	\$ 920.00	Tier One	775	230	\$ 5,9502	\$ 5,6300	\$ (0.3202)
47					Tier Two	99,999	750	9,2228	7,3391	(1,8837)
48					Tier Three	99,999	99,999	9,2228	10,7572	1,5344
49					Tier Four	99,999	99,999	9,2228	10,7572	1,5344
50										
51										
52										
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55										

(Continued)

\*\*For Service Charges See Western Group Service Charge Tariff at the end of this schedule\*\*

Line No.	Class of Service	[A]		[B]		[C]		[D]		[E]		[F]		[G]		[H]		[I]	
		Basic Service Charge		Tier Breakover (M Gals)		Volumetric Charge (/M Gal)													
		Present Rate	Proposed Rate - Settlement	Change	Present	Proposed - Settlement	Present Rate	Proposed Rate - Settlement	Change	Present Rate	Proposed Rate - Settlement	Change	Present Rate	Proposed Rate - Settlement	Change	Present Rate	Proposed Rate - Settlement	Change	
1	Industrial 5/8 x 3/4 -inch	\$ 25.00	\$ 35.00	\$ 10.00	10	99,999	\$ 5,950.2	\$ 7,339.1	\$ 1,388.9	99,999	99,999	\$ 5,950.2	\$ 7,339.1	\$ 1,388.9	99,999	99,999	\$ 5,950.2	\$ 7,339.1	\$ 1,388.9
2																			
3																			
4																			
5																			
6																			
7	Industrial 3/4-inch	n/a	\$ 52.50	n/a	n/a	99,999	n/a	n/a	n/a	99,999	99,999	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
8																			
9																			
10																			
11																			
12	Industrial 1-inch	\$ 62.50	\$ 87.50	\$ 25.00	15	99,999	\$ 5,950.2	\$ 7,339.1	\$ 1,388.9	99,999	99,999	\$ 5,950.2	\$ 7,339.1	\$ 1,388.9	99,999	99,999	\$ 5,950.2	\$ 7,339.1	\$ 1,388.9
13																			
14																			
15																			
16																			
17	Industrial 1 1/4-inch	\$ 125.00	\$ 175.00	\$ 50.00	30	99,999	\$ 5,950.2	\$ 7,339.1	\$ 1,388.9	99,999	99,999	\$ 5,950.2	\$ 7,339.1	\$ 1,388.9	99,999	99,999	\$ 5,950.2	\$ 7,339.1	\$ 1,388.9
18																			
19																			
20																			
21																			
22	Industrial 2-inch	\$ 200.00	\$ 280.00	\$ 80.00	50	99,999	\$ 5,950.2	\$ 7,339.1	\$ 1,388.9	99,999	99,999	\$ 5,950.2	\$ 7,339.1	\$ 1,388.9	99,999	99,999	\$ 5,950.2	\$ 7,339.1	\$ 1,388.9
23																			
24																			
25																			
26																			
27	Industrial 3-inch	\$ 400.00	\$ 560.00	\$ 160.00	100	99,999	\$ 5,950.2	\$ 7,339.1	\$ 1,388.9	99,999	99,999	\$ 5,950.2	\$ 7,339.1	\$ 1,388.9	99,999	99,999	\$ 5,950.2	\$ 7,339.1	\$ 1,388.9
28																			
29																			
30																			
31																			
32	Industrial 4-inch	\$ 625.00	\$ 875.00	\$ 250.00	150	99,999	\$ 5,950.2	\$ 7,339.1	\$ 1,388.9	99,999	99,999	\$ 5,950.2	\$ 7,339.1	\$ 1,388.9	99,999	99,999	\$ 5,950.2	\$ 7,339.1	\$ 1,388.9
33																			
34																			
35																			
36																			
37	Industrial 6-inch	\$ 1,250.00	\$ 1,750.00	\$ 500.00	99,999	99,999	\$ 5,950.2	\$ 7,339.1	\$ 1,388.9	99,999	99,999	\$ 5,950.2	\$ 7,339.1	\$ 1,388.9	99,999	99,999	\$ 5,950.2	\$ 7,339.1	\$ 1,388.9
38																			
39																			
40																			
41																			
42	Industrial 8-inch	\$ 2,000.00	\$ 2,800.00	\$ 800.00	99,999	99,999	\$ 5,950.2	\$ 7,339.1	\$ 1,388.9	99,999	99,999	\$ 5,950.2	\$ 7,339.1	\$ 1,388.9	99,999	99,999	\$ 5,950.2	\$ 7,339.1	\$ 1,388.9
43																			
44																			
45																			
46																			
47	Industrial 10-inch	\$ 2,875.00	\$ 4,025.00	\$ 1,150.00	99,999	99,999	\$ 5,950.2	\$ 7,339.1	\$ 1,388.9	99,999	99,999	\$ 5,950.2	\$ 7,339.1	\$ 1,388.9	99,999	99,999	\$ 5,950.2	\$ 7,339.1	\$ 1,388.9
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\*\*For Service Charges See Western Group Service Charge Tariff at the end of this schedule\*\*

Line No.	Class of Service	[A] Present Rate		[B] Proposed Rate - Settlement		[C] Change		[D] Aio		[E] Tier Breakover (M Gals)		[F] Proposed - Settlement		[G] Present Rate		[H] Proposed Rate - Settlement		[I]	
1																			
2																			
3																			
4																			
5																			
6																			
7																			
8	Private Fire Service (all connection sizes)	\$ 25.00	\$ 35.00	\$ 10.00	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
9																			
10	Public Fire Hydrant	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
11																			
12	Coin Machine (No. of Gallons / \$0.25)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
13																			
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Line No.	Class of Service	[A]		[B]		[C]		[D]		[E]		[F]		[G]		[H]		[I]	
		Basic Service Charge		Tier Breakover (M Gals)		Volumetric Charge (/M Gal)													
		Present Rate	Proposed Rate - Settlement	Change	Present	Proposed - Settlement	Present Rate	Proposed Rate - Settlement	Change	Present Rate	Proposed Rate - Settlement	Change	Present Rate	Proposed Rate - Settlement	Change	Present Rate	Proposed Rate - Settlement		Change
1																			
2	Construction 5/8 x 3/4-inch	n/a	\$ 33.00	n/a	Tier One	n/a	2	n/a	\$ 5,630	n/a	\$ 5,630	n/a	n/a	\$ 5,630	n/a	n/a	n/a	n/a	n/a
3					Tier Two	n/a	18	n/a	7,391	n/a	7,391	n/a	n/a	7,391	n/a	n/a	n/a	n/a	n/a
4					Tier Three	n/a	99,999	n/a	10,757	n/a	10,757	n/a	n/a	10,757	n/a	n/a	n/a	n/a	n/a
5					Tier Four	n/a	99,999	n/a	10,757	n/a	10,757	n/a	n/a	10,757	n/a	n/a	n/a	n/a	n/a
6																			
7	Construction 3/4-inch	n/a	\$ 49.50	n/a	Tier One	n/a	3	n/a	\$ 5,630	n/a	\$ 5,630	n/a	n/a	\$ 5,630	n/a	n/a	n/a	n/a	n/a
8					Tier Two	n/a	20	n/a	7,391	n/a	7,391	n/a	n/a	7,391	n/a	n/a	n/a	n/a	n/a
9					Tier Three	n/a	99,999	n/a	10,757	n/a	10,757	n/a	n/a	10,757	n/a	n/a	n/a	n/a	n/a
10					Tier Four	n/a	99,999	n/a	10,757	n/a	10,757	n/a	n/a	10,757	n/a	n/a	n/a	n/a	n/a
11																			
12	Construction 1-inch	n/a	\$ 82.50	n/a	Tier One	n/a	5	n/a	\$ 5,630	n/a	\$ 5,630	n/a	n/a	\$ 5,630	n/a	n/a	n/a	n/a	n/a
13					Tier Two	n/a	25	n/a	7,391	n/a	7,391	n/a	n/a	7,391	n/a	n/a	n/a	n/a	n/a
14					Tier Three	n/a	99,999	n/a	10,757	n/a	10,757	n/a	n/a	10,757	n/a	n/a	n/a	n/a	n/a
15					Tier Four	n/a	99,999	n/a	10,757	n/a	10,757	n/a	n/a	10,757	n/a	n/a	n/a	n/a	n/a
16																			
17	Construction 1/2-inch	n/a	\$ 165.00	n/a	Tier One	n/a	10	n/a	\$ 5,630	n/a	\$ 5,630	n/a	n/a	\$ 5,630	n/a	n/a	n/a	n/a	n/a
18					Tier Two	n/a	40	n/a	7,391	n/a	7,391	n/a	n/a	7,391	n/a	n/a	n/a	n/a	n/a
19					Tier Three	n/a	99,999	n/a	10,757	n/a	10,757	n/a	n/a	10,757	n/a	n/a	n/a	n/a	n/a
20					Tier Four	n/a	99,999	n/a	10,757	n/a	10,757	n/a	n/a	10,757	n/a	n/a	n/a	n/a	n/a
21																			
22	Construction 2-inch	\$ 200.00	\$ 264.00	\$ 64.00	Tier One	50	16	\$ 5,950	\$ 5,630	\$ (0.3202)				\$ 5,950	\$ 5,630	\$ (0.3202)			
23					Tier Two	99,999	60	9,228	7,391	(1,8837)				9,228	7,391	(1,8837)			
24					Tier Three	99,999	99,999	9,228	10,757	1,5344				9,228	10,757	1,5344			
25					Tier Four	99,999	99,999	9,228	10,757	1,5344				9,228	10,757	1,5344			
26																			
27	Construction 3-inch	\$ 400.00	\$ 528.00	\$ 128.00	Tier One	100	32	\$ 5,950	\$ 5,630	\$ (0.3202)				\$ 5,950	\$ 5,630	\$ (0.3202)			
28					Tier Two	99,999	120	9,228	7,391	(1,8837)				9,228	7,391	(1,8837)			
29					Tier Three	99,999	99,999	9,228	10,757	1,5344				9,228	10,757	1,5344			
30					Tier Four	99,999	99,999	9,228	10,757	1,5344				9,228	10,757	1,5344			
31																			
32	Construction 4-inch	\$ 625.00	\$ 825.00	\$ 200.00	Tier One	150	50	\$ 5,950	\$ 5,630	\$ (0.3202)				\$ 5,950	\$ 5,630	\$ (0.3202)			
33					Tier Two	99,999	185	9,228	7,391	(1,8837)				9,228	7,391	(1,8837)			
34					Tier Three	99,999	99,999	9,228	10,757	1,5344				9,228	10,757	1,5344			
35					Tier Four	99,999	99,999	9,228	10,757	1,5344				9,228	10,757	1,5344			
36																			
37	Construction 6-inch	n/a	\$ 1,650.00	n/a	Tier One	n/a	100	n/a	\$ 5,630	n/a	\$ 5,630	n/a	n/a	\$ 5,630	n/a	n/a	n/a	n/a	n/a
38					Tier Two	n/a	300	n/a	7,391	n/a	7,391	n/a	n/a	7,391	n/a	n/a	n/a	n/a	n/a
39					Tier Three	n/a	99,999	n/a	10,757	n/a	10,757	n/a	n/a	10,757	n/a	n/a	n/a	n/a	n/a
40					Tier Four	n/a	99,999	n/a	10,757	n/a	10,757	n/a	n/a	10,757	n/a	n/a	n/a	n/a	n/a
41																			
42	Construction 8-inch	n/a	\$ 2,640.00	n/a	Tier One	n/a	160	n/a	\$ 5,630	n/a	\$ 5,630	n/a	n/a	\$ 5,630	n/a	n/a	n/a	n/a	n/a
43					Tier Two	n/a	500	n/a	7,391	n/a	7,391	n/a	n/a	7,391	n/a	n/a	n/a	n/a	n/a
44					Tier Three	n/a	99,999	n/a	10,757	n/a	10,757	n/a	n/a	10,757	n/a	n/a	n/a	n/a	n/a
45					Tier Four	n/a	99,999	n/a	10,757	n/a	10,757	n/a	n/a	10,757	n/a	n/a	n/a	n/a	n/a
46																			
47	Construction 10-inch	n/a	\$ 3,795.00	n/a	Tier One	n/a	230	n/a	\$ 5,630	n/a	\$ 5,630	n/a	n/a	\$ 5,630	n/a	n/a	n/a	n/a	n/a
48					Tier Two	n/a	750	n/a	7,391	n/a	7,391	n/a	n/a	7,391	n/a	n/a	n/a	n/a	n/a
49					Tier Three	n/a	99,999	n/a	10,757	n/a	10,757	n/a	n/a	10,757	n/a	n/a	n/a	n/a	n/a
50					Tier Four	n/a	99,999	n/a	10,757	n/a	10,757	n/a	n/a	10,757	n/a	n/a	n/a	n/a	n/a
51																			
52																			
53																			
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\*\*For Service Charges See Western Group Service Charge Tariff at the end of this schedule\*\*

Line No.	Class of Service	[A]		[B]		[C]		[D]		[E]		[F]		[G]		[H]		[I]	
		Basic Service Charge		Proposed		Change		Tier Breakover (M Gals)		Present		Proposed		Present Rate - Settlement		Volumetric Charge (M Gal)		Change	
		Present Rate	Proposed Rate	Rate - Settlement	Change	Present	Proposed	Present Rate	Proposed Rate	Present Rate	Proposed Rate	Rate - Settlement	Change	Present Rate	Proposed Rate	Rate - Settlement	Change	Present Rate	Proposed Rate
1																			
2																			
3	Sales for Resale 5/8-Inch	\$ 25.00	\$ 33.00	\$ 8.00				Tier One	99,999	99,999			\$ 5,9502	\$ 5,6300	\$ (0.3202)		5,9502	5,6300	(0.3202)
4								Tier Two	99,999	99,999			5,9502	5,6300	(0.3202)		5,9502	5,6300	(0.3202)
5								Tier Three	99,999	99,999			5,9502	5,6300	(0.3202)		5,9502	5,6300	(0.3202)
6								Tier Four	99,999	99,999			5,9502	5,6300	(0.3202)		5,9502	5,6300	(0.3202)
7																			
8	Sales for Resale 3/4-Inch	n/a	\$ 49.50	n/a				Tier One	n/a	99,999			n/a	\$ 5,6300	n/a		n/a	5,6300	n/a
9								Tier Two	n/a	99,999			n/a	5,6300	n/a		n/a	5,6300	n/a
10								Tier Three	n/a	99,999			n/a	5,6300	n/a		n/a	5,6300	n/a
11								Tier Four	n/a	99,999			n/a	5,6300	n/a		n/a	5,6300	n/a
12																			
13	Sales for Resale 1-Inch	\$ 62.50	\$ 82.50	\$ 20.00				Tier One	99,999	99,999			\$ 5,9502	\$ 5,6300	\$ (0.3202)		5,9502	5,6300	(0.3202)
14								Tier Two	99,999	99,999			5,9502	5,6300	(0.3202)		5,9502	5,6300	(0.3202)
15								Tier Three	99,999	99,999			5,9502	5,6300	(0.3202)		5,9502	5,6300	(0.3202)
16								Tier Four	99,999	99,999			5,9502	5,6300	(0.3202)		5,9502	5,6300	(0.3202)
17																			
18	Sales for Resale 1/2-Inch	\$ 125.00	\$ 165.00	\$ 40.00				Tier One	99,999	99,999			\$ 5,9502	\$ 5,6300	\$ (0.3202)		5,9502	5,6300	(0.3202)
19								Tier Two	99,999	99,999			5,9502	5,6300	(0.3202)		5,9502	5,6300	(0.3202)
20								Tier Three	99,999	99,999			5,9502	5,6300	(0.3202)		5,9502	5,6300	(0.3202)
21								Tier Four	99,999	99,999			5,9502	5,6300	(0.3202)		5,9502	5,6300	(0.3202)
22																			
23	Sales for Resale 2-Inch	\$ 200.00	\$ 264.00	\$ 64.00				Tier One	99,999	99,999			\$ 5,9502	\$ 5,6300	\$ (0.3202)		5,9502	5,6300	(0.3202)
24								Tier Two	99,999	99,999			5,9502	5,6300	(0.3202)		5,9502	5,6300	(0.3202)
25								Tier Three	99,999	99,999			5,9502	5,6300	(0.3202)		5,9502	5,6300	(0.3202)
26								Tier Four	99,999	99,999			5,9502	5,6300	(0.3202)		5,9502	5,6300	(0.3202)
27																			
28	Sales for Resale 3-Inch	\$ 400.00	\$ 528.00	\$ 128.00				Tier One	99,999	99,999			\$ 5,9502	\$ 5,6300	\$ (0.3202)		5,9502	5,6300	(0.3202)
29								Tier Two	99,999	99,999			5,9502	5,6300	(0.3202)		5,9502	5,6300	(0.3202)
30								Tier Three	99,999	99,999			5,9502	5,6300	(0.3202)		5,9502	5,6300	(0.3202)
31								Tier Four	99,999	99,999			5,9502	5,6300	(0.3202)		5,9502	5,6300	(0.3202)
32																			
33	Sales for Resale 4-Inch	\$ 625.00	\$ 825.00	\$ 200.00				Tier One	99,999	99,999			\$ 5,9502	\$ 5,6300	\$ (0.3202)		5,9502	5,6300	(0.3202)
34								Tier Two	99,999	99,999			5,9502	5,6300	(0.3202)		5,9502	5,6300	(0.3202)
35								Tier Three	99,999	99,999			5,9502	5,6300	(0.3202)		5,9502	5,6300	(0.3202)
36								Tier Four	99,999	99,999			5,9502	5,6300	(0.3202)		5,9502	5,6300	(0.3202)
37																			
38	Sales for Resale 6-Inch	\$ 1,250.00	\$ 1,650.00	\$ 400.00				Tier One	99,999	99,999			\$ 5,9502	\$ 5,6300	\$ (0.3202)		5,9502	5,6300	(0.3202)
39								Tier Two	99,999	99,999			5,9502	5,6300	(0.3202)		5,9502	5,6300	(0.3202)
40								Tier Three	99,999	99,999			5,9502	5,6300	(0.3202)		5,9502	5,6300	(0.3202)
41								Tier Four	99,999	99,999			5,9502	5,6300	(0.3202)		5,9502	5,6300	(0.3202)
42																			
43	Sales for Resale 8-Inch	\$ 2,000.00	\$ 2,640.00	\$ 640.00				Tier One	99,999	99,999			\$ 5,9502	\$ 5,6300	\$ (0.3202)		5,9502	5,6300	(0.3202)
44								Tier Two	99,999	99,999			5,9502	5,6300	(0.3202)		5,9502	5,6300	(0.3202)
45								Tier Three	99,999	99,999			5,9502	5,6300	(0.3202)		5,9502	5,6300	(0.3202)
46								Tier Four	99,999	99,999			5,9502	5,6300	(0.3202)		5,9502	5,6300	(0.3202)
47																			
48	Sales for Resale 10-Inch	\$ 2,875.00	\$ 3,795.00	\$ 920.00				Tier One	99,999	99,999			\$ 5,9502	\$ 5,6300	\$ (0.3202)		5,9502	5,6300	(0.3202)
49								Tier Two	99,999	99,999			5,9502	5,6300	(0.3202)		5,9502	5,6300	(0.3202)
50								Tier Three	99,999	99,999			5,9502	5,6300	(0.3202)		5,9502	5,6300	(0.3202)
51								Tier Four	99,999	99,999			5,9502	5,6300	(0.3202)		5,9502	5,6300	(0.3202)
52																			
53																			
54																			
55																			

\*\*For Service Charges See Western Group Service Charge Tariff at the end of this schedule\*\*

Western Group

Line No.	Service Charges	Current Rate	[A]	[B]
1				
2	Establishment	\$32.00		
3				
4	Guarantee Deposit		Residential - maximum: Two(2) times average customer class bill. Non-Residential-maximum: Two and one-half (2 1/2) times that customers estimated maximum monthly bill.	Residential - maximum: Two(2) times average customer class bill. Non-Residential-maximum: Two and one-half (2 1/2) times that customers estimated maximum monthly bill.
5				
6				
7				
8	Reconnection for Delinquency	\$32.00, each time customer is disconnected.		\$32.00, each time customer is disconnected.
9				
10				
11				
12				
13	Re-Establishment		Eight (8) times the customer's monthly minimum charge, or payment of the minimums since disconnection, whichever is less.	Eight (8) times the customer's monthly minimum charge, or payment of the minimums since disconnection, whichever is less.
14				
15				
16	After Hours Service Charge	\$35.00, each service call-out after regular working hours, on Saturdays, Sundays or holidays.		\$35.00, each service call-out after regular working hours, on Saturdays, Sundays or holidays.
17				
18				
19				
20	Returned Payment	\$25.00, each returned payment for insufficient funds.		\$25.00, each returned payment for insufficient funds.
21				
22				
23				
24	Meter Re-read	All Meter Re-Reads - \$25.00		All Meter Re-Reads - \$25.00
25				
26				
27	Meter Test	No charge for the first test; for the second test for the same customer within any twelve (12) month period, \$25.00, or actual time and material whichever is greater.		No charge for the first test; for the second test for the same customer within any twelve (12) month period, \$25.00, or actual time and material whichever is greater.
28				
29				
30				
31	Service Line and Meter Installation			
32				
33				
34				
35				
36				
37				
38				
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40				
41				
42				
43				
44				
45				
46				
47				
48				
49				
50				
51				
52				
53	Late Charge	1.5 percent after 15 days.		1.5 percent after 15 days.
54				
55				

<sup>1</sup>Actual cost of service line if boring under, or cutting roadway/sidewalk is required.

<sup>1</sup>Actual cost of service line if boring under, or cutting roadway/sidewalk is required.

Pinal Valley

Typical Bill

Line No.	Base Rates	Adjusters & Surcharges	Monthly Usage (M Gal)	Present Rates			Proposed Rates - Settlement		Increase - Settlement	
				Base Rates	Adjusters & Surcharges	Total	Rates - Settlement	Amount	Percent	
1	Residential 5/8 x 3/4 inch			16.00		16.00	22.00	6.00	37.50%	
2			5	23.77		23.77	30.75	6.98	29.35%	
3			15	50.58		50.58	55.49	4.91	9.72%	
4	Present Rates		20	66.87		66.87	70.88	4.01	6.00%	
5			25	83.17		83.17	89.91	6.74	8.10%	
6			30	99.46		99.46	108.93	9.46	9.51%	
7	Basic Service Charge:		35	115.76		115.76	127.95	12.19	10.53%	
8			40	132.05		132.05	146.97	14.91	11.29%	
9			45	148.35		148.35	165.99	17.64	11.89%	
10	Tier One Breakover (M Gal):	3	50	164.64		164.64	185.01	20.37	12.37%	
11	Tier Two Breakover (M Gal):	10	55	180.94		180.94	204.03	23.09	12.76%	
12	Tier Three Breakover (M Gal):	99,999	60	197.23		197.23	223.05	25.82	13.09%	
13	Tier Four Breakover (M Gal):	99,999	65	213.53		213.53	242.07	28.54	13.37%	
14			70	229.82		229.82	261.09	31.27	13.60%	
15	Tier One Rate:	1,1879	75	246.12		246.12	280.11	33.99	13.81%	
16	Tier Two Rate:	2,1026	100	262.59		262.59	297.21	34.62	14.54%	
17	Tier Three Rate:	3,2590	150	279.04		279.04	314.26	35.22	15.26%	
18	Tier Four Rate:	3,2590	200	295.49		295.49	331.71	36.22	15.26%	
19			250	311.94		311.94	349.16	37.22	15.26%	
20	Proposed Rates - Settlement		300	328.39		328.39	366.61	38.22	15.26%	
21			350	344.84		344.84	384.06	39.22	15.26%	
22			400	361.29		361.29	401.51	40.22	15.26%	
23			450	377.74		377.74	418.96	41.22	15.26%	
24	Basic Service Charge:	22.00	450	394.19		394.19	436.41	42.22	15.26%	
25			500	410.64		410.64	453.86	43.22	15.26%	
26	Tier One Breakover (M Gal):	2	550	427.09		427.09	471.31	44.22	15.26%	
27	Tier Two Breakover (M Gal):	7	600	443.54		443.54	488.76	45.22	15.26%	
28	Tier Three Breakover (M Gal):	18	650	460.00		460.00	506.21	46.22	15.26%	
29	Tier Four Breakover (M Gal):	99,999	700	476.45		476.45	523.66	47.22	15.26%	
30			750	492.90		492.90	541.11	48.22	15.26%	
31	Tier One Rate:	1,3866	800	509.35		509.35	558.56	49.22	15.26%	
32	Tier Two Rate:	1,9910	850	525.80		525.80	576.01	50.22	15.26%	
33	Tier Three Rate:	2,5953	900	542.25		542.25	593.46	51.22	15.26%	
34	Tier Four Rate:	3,8041	1,000	558.70		558.70	610.91	52.22	15.26%	
35			1,500	575.15		575.15	628.36	53.22	15.26%	
36			2,000	591.60		591.60	645.81	54.22	15.26%	
37			2,500	608.05		608.05	663.26	55.22	15.26%	
38			3,000	624.50		624.50	680.71	56.22	15.26%	
39			3,500	640.95		640.95	698.16	57.22	15.26%	
40			4,000	657.40		657.40	715.61	58.22	15.26%	
41			4,500	673.85		673.85	733.06	59.22	15.26%	
42			5,000	690.30		690.30	750.51	60.22	15.26%	
43			5,500	706.75		706.75	767.96	61.22	15.26%	
44			6,000	723.20		723.20	785.41	62.22	15.26%	
45			6,500	739.65		739.65	802.86	63.22	15.26%	
46			7,000	756.10		756.10	820.31	64.22	15.26%	
47			7,500	772.55		772.55	837.76	65.22	15.26%	
48			8,000	789.00		789.00	855.21	66.22	15.26%	
49			8,500	805.45		805.45	872.66	67.22	15.26%	
50			9,000	821.90		821.90	890.11	68.22	15.26%	
51			9,500	838.35		838.35	907.56	69.22	15.26%	
52			10,000	854.80		854.80	925.01	70.22	15.26%	
53			10,500	871.25		871.25	942.46	71.22	15.26%	
54			11,000	887.70		887.70	959.91	72.22	15.26%	
55			11,500	904.15		904.15	977.36	73.22	15.26%	

Average Usage: 7.8  
 Median Usage: 5.7  
 Standardized Usage: 7.5

Proposed Bill at Lifetime Usage: \$ 24.77  
 Cost of Service at Lifetime Usage: \$ 31.41  
 % Cost Discount at Lifetime Usage: 21.12%  
 Proposed Bill at Average Usage: \$ 43.00  
 Cost of Service at Average Usage: \$ 14.53%

Line No.	Description	White Tank										Increase - Settlement		
		[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	Amount	Percent		
		Typical Bill												
		Base Rates		Adjusters & Surcharges		Monthly Usage (M Gal)	Present Rates & Surcharges		Total		Proposed Rates - Settlement			
1	Residential 5/8 x 3/4 -inch													
2				5										
3				15										
4				20										
5				25										
6				30										
7				35										
8	Basic Service Charge:	\$ 23.00	\$ -				\$ 23.00	\$ -	\$ 23.00	\$ -	\$ 29.00	\$ 6.00	26.09%	
9	Tier One Breakover (M Gal):	5					32.00		32.00		41.35	9.35	29.22%	
10	Tier Two Breakover (M Gal):	15					62.00		62.00		76.76	14.76	23.80%	
11	Tier Three Breakover (M Gal):	99,999					87.83		87.83		96.89	9.06	10.32%	
12	Tier Four Breakover (M Gal):	99,999					113.66		113.66		117.03	3.36	2.96%	
13							139.50		139.50		137.16	(2.33)	-1.67%	
14							165.33		165.33		167.03	1.70	1.03%	
15							191.16		191.16		196.89	5.73	3.00%	
16							216.99		216.99		226.76	9.77	4.50%	
17							242.82		242.82		256.62	13.80	5.66%	
18							268.66		268.66		286.49	17.83	6.64%	
19							294.49		294.49		316.35	21.87	7.43%	
20							320.32		320.32		346.22	25.90	8.09%	
21							346.15		346.15		376.09	29.93	8.65%	
22							371.98		371.98		405.95	33.97	9.13%	
23							501.14		501.14		555.28	54.13	10.80%	
24							759.46		759.46		853.93	94.47	12.44%	
25							1,017.78		1,017.78		1,152.58	134.80	13.24%	
26							1,276.10		1,276.10		1,451.24	175.13	13.72%	
27							1,534.42		1,534.42		1,749.89	215.47	14.04%	
28							1,792.74		1,792.74		2,048.54	255.80	14.27%	
29							2,051.06		2,051.06		2,347.20	296.13	14.44%	
30							2,309.38		2,309.38		2,645.85	336.47	14.57%	
31							2,567.70		2,567.70		2,944.50	376.80	14.67%	
32							2,826.02		2,826.02		3,243.16	417.13	14.76%	
33							3,084.34		3,084.34		3,541.81	457.47	14.83%	
34							3,342.66		3,342.66		3,840.46	497.80	14.89%	
35							3,600.98		3,600.98		4,139.12	538.13	14.94%	
36							3,859.30		3,859.30		4,437.77	578.47	14.99%	
37							4,117.62		4,117.62		4,736.42	618.80	15.03%	
38							4,375.94		4,375.94		5,035.08	659.13	15.06%	
39							4,634.26		4,634.26		5,333.73	699.47	15.09%	
40							5,150.90		5,150.90		5,931.04	780.13	15.15%	
41							7,734.10		7,734.10		8,917.57	1,183.47	15.30%	
42							10,317.30		10,317.30		11,904.10	1,586.80	15.38%	
43							12,900.50		12,900.50		14,890.64	1,990.13	15.43%	
44							15,483.70		15,483.70		17,877.17	2,393.47	15.46%	
45														
46														
47														
48														
49														
50														
51														
52														
53														
54														
55														

Average Usage:	11.7	\$ 52.20	\$ -	\$ 52.20	\$ 63.60
Median Usage:	7.7	\$ 40.04	\$ -	\$ 40.04	\$ 49.54
Standardized Usage:	7.5	\$ 39.50	\$ -	\$ 39.50	\$ 48.99
Proposed Bill at Lifeline Usage:		\$		\$	35.24
Cost of Service at Lifeline Usage:		\$		\$	46.12
% Cost Discount at Lifeline Usage:					23.58%
Cost of Service at Average Usage:		\$		\$	71.69
% Cost Discount at Average Usage:					11.29%

Line No.	Description	[A]		[B]		[C]	[D]		[E]		[F]		[G]	[H]	[I]
		Base Rates	Adjusters & Surcharges	Base Rates	Adjusters & Surcharges		Typical Bill	Proposed Rates - Settlement	Amount	Percent					
1	Residential 5/8 x 3/4 -inch														
2		\$ 25.00	\$ -	\$ 25.00	\$ -	5	\$ 25.00	\$ -	\$ 25.00	\$ -	\$ 25.00	\$ -	\$ 25.00	\$ 3.00	12.00%
3		46.99	-	46.99	-	15	46.99	-	46.99	-	46.99	-	46.99	5.75	12.23%
4		122.85	-	122.85	-	20	122.85	-	122.85	-	122.85	-	122.85	20.36	16.58%
5	Present Rates	215.08	-	215.08	-	25	215.08	-	215.08	-	215.08	-	215.08	28.03	16.59%
6		261.19	-	261.19	-	30	261.19	-	261.19	-	261.19	-	261.19	35.71	16.60%
7		307.31	-	307.31	-	35	307.31	-	307.31	-	307.31	-	307.31	43.38	16.61%
8	Basic Service Charge:	\$ 25.00	\$ -	\$ 25.00	\$ -	40	\$ 25.00	\$ -	\$ 25.00	\$ -	\$ 25.00	\$ -	\$ 25.00	\$ 1.00	16.62%
9						45								\$ 1.00	16.62%
10	Tier One Breakover (M Gal):	3	-	3	-	50	3	-	3	-	3	-	3	\$ 1.00	16.62%
11	Tier Two Breakover (M Gal):	10	-	10	-	55	10	-	10	-	10	-	10	\$ 1.00	16.62%
12	Tier Three Breakover (M Gal):	99,999	-	99,999	-	60	99,999	-	99,999	-	99,999	-	99,999	\$ 1.00	16.62%
13	Tier Four Breakover (M Gal):	99,999	-	99,999	-	65	99,999	-	99,999	-	99,999	-	99,999	\$ 1.00	16.62%
14						70								\$ 1.00	16.62%
15	Tier One Rate:	3,3617	\$ -	3,3617	\$ -	75	3,3617	\$ -	3,3617	\$ -	3,3617	\$ -	3,3617	\$ 1.00	16.62%
16	Tier Two Rate:	5,9502	-	5,9502	-	100	5,9502	-	5,9502	-	5,9502	-	5,9502	\$ 1.00	16.62%
17	Tier Three Rate:	9,2228	-	9,2228	-	150	9,2228	-	9,2228	-	9,2228	-	9,2228	\$ 1.00	16.62%
18	Tier Four Rate:	9,2228	-	9,2228	-	200	9,2228	-	9,2228	-	9,2228	-	9,2228	\$ 1.00	16.62%
19						250								\$ 1.00	16.62%
20	Proposed Rates - Settlement					300								\$ 1.00	16.62%
21						350								\$ 1.00	16.62%
22						400								\$ 1.00	16.62%
23						450								\$ 1.00	16.62%
24	Basic Service Charge:	\$ 28.00	\$ -	\$ 28.00	\$ -	500	\$ 28.00	\$ -	\$ 28.00	\$ -	\$ 28.00	\$ -	\$ 28.00	\$ 1.00	16.62%
25						550								\$ 1.00	16.62%
26	Tier One Breakover (M Gal):	2	-	2	-	600	2	-	2	-	2	-	2	\$ 1.00	16.62%
27	Tier Two Breakover (M Gal):	5	-	5	-	650	5	-	5	-	5	-	5	\$ 1.00	16.62%
28	Tier Three Breakover (M Gal):	10	-	10	-	700	10	-	10	-	10	-	10	\$ 1.00	16.62%
29	Tier Four Breakover (M Gal):	99,999	-	99,999	-	750	99,999	-	99,999	-	99,999	-	99,999	\$ 1.00	16.62%
30						800								\$ 1.00	16.62%
31	Tier One Rate:	3,9210	\$ -	3,9210	\$ -	850	3,9210	\$ -	3,9210	\$ -	3,9210	\$ -	3,9210	\$ 1.00	16.62%
32	Tier Two Rate:	5,6300	-	5,6300	-	900	5,6300	-	5,6300	-	5,6300	-	5,6300	\$ 1.00	16.62%
33	Tier Three Rate:	7,3391	-	7,3391	-	1,000	7,3391	-	7,3391	-	7,3391	-	7,3391	\$ 1.00	16.62%
34	Tier Four Rate:	10,7572	-	10,7572	-	1,500	10,7572	-	10,7572	-	10,7572	-	10,7572	\$ 1.00	16.62%
35						2,000								\$ 1.00	16.62%
36						2,500								\$ 1.00	16.62%
37						3,000								\$ 1.00	16.62%
38														\$ 1.00	16.62%
39														\$ 1.00	16.62%
40														\$ 1.00	16.62%
41	Average Usage:			\$ 40.98	\$ -	4.0	\$ 40.98	\$ -	\$ 40.98	\$ -	\$ 40.98	\$ -	\$ 40.98	\$ 6.07	14.81%
42	Median Usage:			\$ 34.01	\$ -	2.7	\$ 34.01	\$ -	\$ 34.01	\$ -	\$ 34.01	\$ -	\$ 34.01	\$ 5.66	16.64%
43	Standardized Usage:			\$ 61.86	\$ -	7.5	\$ 61.86	\$ -	\$ 61.86	\$ -	\$ 61.86	\$ -	\$ 61.86	\$ 9.22	14.90%
44															
45	Proposed Bill at Lifetime Usage:														
46	Cost of Service at Lifetime Usage:														
47	% Cost Discount at Lifetime Usage:														
48															
49	Cost of Service at Average Usage:														
50	% Cost Discount at Average Usage:														
51															
52															
53															
54															
55															

Arizona Water Company  
 Pinal Valley

Nitrate Removal Facilities Post in Service Costs Estimated Cap

Line No.	Well No.	Well No.	Well No.	Well No.	Well No.	Total
1.	33	32	27	7		
2.	6/1/2016	8/1/2016	8/1/2017	8/1/2018		
3.	12/1/2017	3/31/2018	3/31/2019	3/31/2020		
4.						
5.	12/31/2020	12/31/2020	12/31/2020	12/31/2020		
6.						
7.	6,905,000	6,914,000	2,531,000	3,691,000		20,041,000
8.						
9.	4,461,570	6,199,580	2,227,488	2,007,240		14,895,878
10.						
11.	782,714	561,150	108,574	52,780		1,505,218
12.						
13.	1,517,555	1,450,746	131,296	261,460		3,361,057
14.						
15.	<u>6,761,839</u>	<u>8,211,476</u>	<u>2,467,358</u>	<u>2,321,480</u>		<u>19,762,153</u>
16.						
17.	676,184	821,148	246,736	232,148		1,976,215
18.						
19.	<u>7,438,023</u>	<u>9,032,624</u>	<u>2,714,094</u>	<u>2,553,628</u>		<u>21,738,368</u>
20.						